ORMINEX

ABN 45 008 740 672

Annual Report - 30 June 2020

Orminex Limited
Contents
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Directors	Mr Dean Hely - Non-Executive Director Mr Michael Foulds - Non-Executive Director Mr Wayne McGrath - Non-Executive Director
Company secretary	Ms Kelly Moore
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Registered office	Suite 5, Level 1, 460 Roberts Road, Subiaco WA 6008
Principal place of business	Suite 5, Level 1, 460 Roberts Road, Subiaco WA 6008
Share register	Automic Registry Services Level 2, 267 St Georges Terrace, Perth WA 6000 Ph Within Australia: 1300 288 664 Ph Outside of Australia: +61 8 9324 2099
Auditor	Moore Australia Level 15 Exchange Tower, 2 The Esplanade, Perth WA 6000
Stock exchange listing	Australian Securities Exchange (ASX code: ONX)
Website	www.orminex.com.au

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Orminex Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2020.

Directors

The following persons were Directors of Orminex Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Dean Hely (Non-executive Director - appointed 17 October 2019)
Michael Foulds (Non-executive Director - appointed 9 August 2019)
Wayne McGrath (Non-executive Director - appointed 23 April 2020)
Daryl Henthorn (Non-executive Director) - resigned as Executive Chairman on 12 June 2020 and as Director on 17 July 2020
John Correia (Non-executive Director) - resigned as Director on 17 July 2020
Emmanuel Correia (Non-executive Director - resigned 31 August 2019)

Information on Directors

Name:	Dean Hely
Title:	Independent Non-Executive Director - appointed 17 October 2019 (length of service 9 months)
Experience and expertise:	Mr Hely is the managing partner of the independent West Australian legal firm Lavan and a partner in the corporate and reconstruction group. Mr Hely has more than 27 years' experience working in corporate reconstruction, insolvency and commercial litigation. Mr Hely was admitted as a partner of Lavan's predecessor firm, Phillips Fox Perth, in 1999, deputy managing partner of that firm and then of Lavan from 2002 to 2013, and became managing partner of Lavan in 2013. In 2016, Mr Hely and others established Quadrant Advisory, a debt advisory practice that assists clients ranging from mid-sized companies though to ASX listed companies with their debt requirements. Mr Hely is a board member of the not for profit organisations Rugby WA, the Australian Institute of Management WA and Youth Focus.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	None
Interests in options:	None

Name:	Michael Foulds
Title:	Non-Executive Director - appointed 9 August 2019 (length of service 11 months) Mr Michael Foulds has appointed Mr Ross Graham as his alternate Director with effect from 9 August 2019
Experience and expertise:	Mr Foulds holds a Bachelor of Engineering in Mining Engineering, First Class Mine Managers Certificates in both Western Australia and the Republic of Fiji and is a Member of the Australian Institute of Company Directors. Mr Foulds worked as a Mining Engineer and Mine Manager at various operations between 1985 and 1995 following which he became both a major shareholder and Company Director in a number of private enterprises, including Mineral Ventures Pty Ltd.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	115,346,758
Interests in options:	342,466

Name:	Wayne McGrath
Title:	Non-Executive Director - appointed 23 April 2020 (length of service 2 months)
Experience and expertise:	Mr McGrath currently serves as the Executive Chairman of Perth-based Wyllie Group Pty Ltd (‘Wyllie Group’), a privately-owned boutique investment company that has a diverse range of investments across several asset classes. The Wyllie Group is a cornerstone investor in Orminex and has been since the Company’s relisting in May 2018 and has a 6% shareholding in the Company. Mr McGrath also served for 3 years as a Non-Executive Director of Viburnum Funds Management; a non-listed private equity firm with $800m of funds under management. The fund invests in listed and non-listed companies and operating businesses predominately in the resource sector. Mr McGrath has over 30 years’ experience in the building industry, having served as the Managing Director of highly successful modular homes supplier McGrath Homes for 16 years prior to its sale to listed Nomad Building Solutions in January 2007. Following the sale, Mr McGrath was appointed as an Executive Director of Nomad and continued as CEO of the McGrath Homes division until May 2010. Mr McGrath was appointed Executive Chairman of the Wyllie Group in 2010.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	6,666,667
Interests in options:	None

Name:	Daryl Henthorn
Title:	Former Non-Executive Director - resigned as Executive Chairman on 12 June 2020 and Director on 17 July 2020 (length of service 3 years, 3 months)
Experience and expertise:	Mr Henthorn has over 30 years of experience in financial services, advisory and operational management across a number of industry sectors and has broad commercial skills. Mr Henthorn's company, Viridian Equity Group Pty Ltd, holds AFSL 343442 and is authorised to issue and deal in financial products and has acted for a number of public and private companies in mining and property. Mr Henthorn has experience in equity raising, debt, private equity and the structuring of financial instruments for ASX listed and private companies. He has served on the board of public companies previously and acts as trustee for unlisted investment vehicles.
Other current directorships:	Redbank Copper Limited (ASX: RCP)
Former directorships (last 3 years):	None
Interests in shares:	38,917,665
Interests in options:	2,060,096

Name:	John Correia
Title:	Former Non-Executive Director - resigned 17 July 2020 (length of service 2 years, 5 months)
Experience and expertise:	Mr John Correia has over 28 years in the banking and corporate finance sector. Mr Correia worked with BankWest for several years in resources finance, including leading the Corporate Banking team before managing the Bank of Scotland's Perth project finance business. In 2007, Mr Correia joined PCF Capital Group, a boutique adviser to the mining sector as Director Corporate Finance, responsible for project finance and also involved in financial modelling, project sales, valuations and strategic advisory. Whilst at PCF he was a co-founder and a director of MinesOnline.com. Mr Correia established licenced finance broker C4 Capital in 2014, which was awarded AFG's Best Commercial Loan Writer award in 2016 and the MFAA's WA Commercial Broker award in 2017.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	9,190,774
Interests in options:	407,465

Name:	Emmanuel Correia
Title:	Former Non-Executive Director - resigned 31 August 2019 (length of service 1 year, 4 months)
Experience and expertise:	Mr Emmanuel Correia is a Chartered Accountant with over 28 years' experience in the provision of corporate finance advice to a diverse client base both in Australia and in overseas markets. He is a co-founder and director of Peloton Capital, holder of AFSL 406040. Mr Correia specialises in the provision of corporate advice in relation to private and public capital raisings, mergers and acquisitions, corporate strategy and structuring, IPO's, project and company valuations. Mr Correia holds a number of public company directorships and is also very actively involved in the management and development of a large private property portfolio. Mr Correia also spent a number of years in corporate finance for J.P. Morgan, Deloitte and the Transocean Group in Australia.
Other current directorships:	Canyon Resources Limited (ASX: CAY), Argent Minerals Limited (ASX: ARD).
Former directorships (last 3 years):	None
Interests in shares:	8,946,907
Interests in options:	475,959

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Ms Kelly Moore (appointed 13 February 2018)

Ms Moore is a qualified Chartered Accountant and Company Secretary with extensive experience in providing accounting and secretarial advice to public companies. Ms Moore holds a Bachelor of Commerce degree from the University of Western Australia, is a member of the Institute of Chartered Accountants Australia and New Zealand, is a graduate of the Australian institute of company directors and an associate member of the Governance Institute of Australia.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2020, and the number of meetings attended by each Director were:

	Full Board Attended	Full Board Held
Dean Hely - appointed 17 Oct 19	14	14
Michael Foulds - appointed 9 Aug 19*	17	17
Wayne McGrath - appointed 23 Apr 20	6	6
Daryl Henthorn - resigned 17 Jul 20	17	17
John Correia - resigned 17 Jul 20	17	17
Emmanuel Correia - resigned 31 Aug 19	1	1

Held: represents the number of meetings held during the time the Director held office.

* Michael Foulds' alternate, Ross Graham, attended two Board meetings as his alternate.

Principal activities

The principal activity of the Group is to be an Australian gold development company, with a focus on sourcing, developing and managing stranded, high grade gold assets into production. The Company has a 51% Joint Venture interest in the Comet Vale Project and 100% ownership of the Golden Lode, Happy Jack and Penny's Find Projects.

Review of operations

Comet Vale Projects

The Group owns 51% of the high-grade Comet Vale Project through a joint venture with Sand Queen Gold Mines Pty Ltd. The Comet Vale Project comprises a historic open pit and underground gold mine located ~100 km northwest of Kalgoorlie with an approved mine plan.

Mining Development Update

During the year, the Comet Vale mine reached a steady state of production with the mine in continuous production. The decline advanced below the 4.6 level and development activities focused on strike driving the 4.6 and 5 levels and the development of the decline. The development of the King's Bounty decline was paused at approximately 40m from the 5.6 Level access.

On 2 March 2020, the Company announced the results of a six-hole diamond drilling program consisting of 1,131.1 metres of core aimed at extending mining operations. The results of the program confirmed the presence of the multiple generation of quartz reefs along the Comet Vale system. For table of significant intercepts, competent persons' statement and JORC Table 1, refer to ASX announcement 'Results of Comet Vale Drilling Program' released on 2 March 2020. Refer to the table of significant intercepts, competent persons' statement and JORC Table 1 in ASX announcement 'Comet Vale Exploration Update' released on 11 September 2020 for material changes to the information or results included in the 2 March 2020 announcement.

On 13 March 2020, the Company announced that it had received reports from Entech Pty Ltd and an independent consultant who were appointed to provide an independent technical review and performance assessment of the project, as well as a specific mining engineering review of operations. Key conclusions of the reports were that mining operations have generally been completed to a high quality but that improvements can be made to operational costs, management of the ore body and resource modelling. The reports note there remains a risk that mining revenue could be impacted.

On 5 August 2020, the Company announced that in order to confirm the continuity of mineralisation down dip from the 4.6 level and confirm the down dip extensions of the shoots to the south below, a 5.3 level a diamond drill program had been designed. The aim of the program was to confirm the continuity of the high grade and wide zones of mineralisation immediately below the current mine development.

On 3 September 2020, the Company announced that following the further drill program at Comet Vale, the Company received notice from Mineral Ventures Pty Ltd that it intended to suspend mining operations at Comet Vale. During the suspension, a full review of mining operations will be completed to develop an understanding of the controls on mineralisation. For table of significant intercepts, competent persons' statement and JORC Table 1, refer to ASX announcement 'Comet Vale Exploration Update' released on 11 September 2020. There have been no material changes to the information or results included in the 11 September 2020 announcement. The independent valuation of Comet Vale, as previously announced on 19 June 2020, is currently on hold.

Processing Update
During the first half of the financial year, the Company completed its second gold pour from Comet Vale ore resulting in total gold production of 1,940 recovered ounces, at 97% recovery with an average head grade of 4.01 g/t.

A total of 15,480t of ore from the underground mining operations at Kings Bounty was processed at the Lakewood Mill during October 2019 and 19,575t in December 2019. Results from the December processing campaign and gold pour were total gold production of 2,160 recovered ounces, at 95% recovery with an average head grade of 3.62 g/t.

The Company reported total gold production from the February 2020 processing campaign of 1,120 recovered ounces, at 91.3% recovery with an average reconciled head grade of 3.05g/t. The campaign consisted of a total of 12,536 dry tonnes of ore comprising 58% development ore and 42% stoping ore.

The Company reported results from the April 2020 processing campaign and gold pour, noting unreconciled total gold production of 2,772 recovered ounces, at 95% recovery with an average unreconciled head grade of 3.67 g/t.

The Company reported results from the July 2020 processing campaign and gold pour, noting reconciled 5,254 ounces of gold recovered from 33,553 dry metric tonnes of ore processed at 5.09 g/t reconciled feed grade with 96% reconciled gold recovery.

Working Capital Recovery
On 3 December 2019, Orminex received its first repayment of working capital of $250,000 from net gold proceeds. On 13 March 2020, the Company announced that net proceeds of the latest processing campaigns from Comet Vale had been used to fund ongoing working capital requirements of the project, reflecting the low recovered grade (partly due to larger amounts of development ore) and increases in operational costs.

On 13 March 2020, the Company advised that there was an increased risk of potentially not fully recovering the working capital loan to Mineral Ventures Pty Ltd as it remained subject to the performance of the Comet Vale project.

During the June quarter, the Company received two repayments totalling $400,000 from net gold proceeds under the working capital facility with all other net proceeds from processing campaigns being used to fund ongoing working capital requirements.

On 19 June 2020, Orminex announced it had requested that Mineral Ventures enter into a repayment plan in the order of $200,000 per month, on appropriate terms and conditions, to ensure the recoverability of the working capital facility. On 28 July 2020, the Company announced a variation to the working capital facility held with Mineral Ventures Pty Ltd. Key terms included the repayment of a minimum of $200,000 each month to the Company, the facility being secured up to $1,500,000 and interest accruing at 5% pa on the secured portion and 10% pa on the unsecured portion.

Penny's Find Gold Mine
Penny’s Find is located 50km northeast of Kalgoorlie in Western Australia and is strategically located within 1 hour’s drive from Orminex’s operational Comet Vale mine.

During the year, a combined total of 20,628t of ore was delivered to the Lakewood Mill, including 3,578t of residual ore from Penny’s Find. The 3,578t of ore processed from Penny’s Find produced 251 recovered gold ounces with an average grade of 2.75 g/t with gold proceeds from Penny’s Find being received by the Company as revenue.

The focus during the year was on securing the pre-requisite mining approvals ahead of the commencement of initial site works. On 13 March 2020, the Company announced that following a detailed review of the Penny’s Find mine plan, it was decided that further drilling would be undertaken to provide more confidence in the resource at depth and undertake confirmatory metallurgical test work. The results of the detailed review of the Penny’s Find mine plan and the required further drilling continued to be evaluated by Mineral Ventures Pty Ltd and the Company continues to investigate the ongoing funding requirements for the commencement of drilling.

Happy Jack Project
During the year, the Happy Jack project tenement P29/2589 reached its 8th year - meaning it could no longer be renewed and would need to be converted into a Mining Lease in order to be retained. The tenement was not converted into a Mining Lease and expired on 18 July 2020.

Indonesian Gold Asset
On 19 August 2020, the Company announced that it had executed a binding framework letter with PT Amman Mineral Internasional (**‘**AMI**’**), in respect of progressing a transaction for the acquisition of economic interests in all or a substantial part of a significant epithermal gold project asset in Indonesia (**‘**Asset**’**) from AMI (or a related entity) (**‘**Transaction**’**).

AMI is a major Indonesian mining entity which owns the second largest copper and gold mine in Indonesia as well as significant other investments in the resources sector. The Asset is located only 60 kms from the world class Batu Hijau Project located on the island of Sumbawa. The project is advanced with a Feasibility Study due for completion by the vendors in the fourth quarter of this year.

Whilst discussions are in preliminary stage and the valuation of the Asset is to be determined, it is expected that the consideration for the Transaction will be the issue of ordinary shares in the Company and will result in the vendors acquiring a controlling interest in the Company. The Transaction will be subject to completion of satisfactory due diligence, the negotiation of a binding transaction documentation, as well as all required shareholder and regulatory approvals by the parties.

The Board looks forward to working closely with the AMI team and with its corporate representative, Alexander Ramlie (who has extensive experience in managing corporate transactions in the South East Asian market, including through his experience as director of MacMahon Holdings), to progress the Transaction, complete due diligence and negotiate the terms of binding transaction agreement.

An exclusivity period until 30 November 2020 has been agreed between the parties in this regard. AMI has also paid to the Company a deposit of $1 million which will be refundable if the Transaction does not proceed in certain circumstances.

COVID-19
On 30 January 2020, the World Health Organisation declared the coronavirus outbreak ('COVID-19') a "Public Health Emergency of International Concern" and on March 10, 2020, declared COVID-19 a pandemic. The operations of the Company could be negatively impacted by the regional and global outbreak of COVID-19 and may impact the Company's results and its ability to source funding for the next reporting year.

As at the date of this report, the full effect of the outbreak remains uncertain. The effects cannot be reliably estimated or quantified. The Company will monitor the ongoing developments and be proactive in mitigating the impact on its operations.

Corporate Update

Financial results and condition

The loss for the Group after providing for income tax amounted to $617,418 (30 June 2019: $736,481).

The Group has a working capital surplus of $2,453,173 (2019: surplus $1,002,243) and net cash outflows of $92,671 ((2019: outflows $3,294,045).

Board and Executive Changes

On 9 August 2019, Mr Michael Foulds, co-owner of Mineral Ventures Pty Ltd and major shareholder of Orminex, joined the Board as a Non-Executive Director. Mr Ross Graham, also a co-owner of Mineral Ventures Pty Ltd and major shareholder of Orminex, was appointed as an Alternate Director to Mr Foulds.

On 31 August 2019, Mr Emmanuel Correia resigned as a Non-Executive Director of Orminex.

On 17 October 2019, the Company announced the appointment of Mr Dean Hely to the Board as a Non-Executive Director.

On 23 April 2020, Mr Wayne McGrath was appointed to the Board as a Non-Executive Director.

On 12 June 2020, the Company announced that Mr Daryl Henthorn had tendered his resignation as Executive Chairman of Orminex and would remain on the Board as a Non-Executive Director.

On that date, the Company also announced that the role of Chairman and executive function would be rotated amongst Board members. All payments of Director fees were also ceased for a period of 6 months.

Post year end, on 17 July 2020, Mr Daryl Henthorn and Mr John Correia resigned from their positions as Non-Executive Directors of the Company.

Section 249D Notice

On 12 June 2020, the Company received a request to call and arrange a general meeting of shareholders under section 249D of the *Corporations Act 2001* (Cth) (‘the Meeting’) to remove Mr Daryl Henthorn as a Director of Orminex. The Meeting was called for 3 August 2020, with the notice of meeting being lodged with the ASX on 3 July 2020. Post quarter end, the Meeting was cancelled given the resignation of Mr Henthorn.

Summary of results

	2020 $	2019 $
Revenue from ordinary activities	542,934	-
Other income	323,542	297,205
	866,476	297,205
Loss before income tax	(552,927)	(736,481)
Income tax expense	(64,491)	-
Loss attributable to owners	(617,418)	(736,481)
Other comprehensive loss	-	-

	2020 $	2019 $
Underlying loss per share (cents)	11	14
Shares on issue at reporting date	539,102,168	539,102,168
Weighted average number of shares	539,102,168	538,666,814

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the Group during the financial year.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Likely developments and expected results of operations
Likely developments in the operations of the Group are set out in the above review of operations in this annual report. Any future prospects are dependent upon the results of future exploration and evaluation.

Matters subsequent to the end of the financial year
On 17 July 2020, Mr Daryl Henthorn and Mr John Correia resigned from their positions as Non-Executive Directors.

On 28 July 2020, the Company announced a variation to the working capital facility held with Mineral Ventures Pty Ltd. Key terms included the repayment of a minimum of $200,000 each month to the Company, the facility being secured up to $1,500,000 and interest accruing at 5% pa on the secured portion and 10% pa on the unsecured portion.

On 19 August 2020, the Company announced that it had executed a framework letter for the purchase of a gold project in Indonesia. The acquisition is subject to due diligence and subsequent agreement of formal terms.

During the year, the Happy Jack project tenement P29/2589 reached its 8th year - meaning it could no longer be renewed and would need to be converted into a Mining Lease in order to be retained. The tenement was not converted into a Mining Lease and expired on 18 July 2020.

On 3 September 2020, the Company announced that following a drilling program at Comet Vale the Company received notice from Mineral Ventures Pty Ltd that it intended to suspend mining operations at Comet Vale. During the suspension, a full review of mining operations will be completed to develop an understanding of the controls on mineralisation.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Environmental regulation
The Group is subject to environmental regulation in relation to its exploration activities. It aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation. The Directors are not aware of any breaches during the period covered by this report.

Shares under option
Unissued ordinary shares of Orminex Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
2018	15 April 2021	$0.03	9,452,055

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Indemnity and insurance of officers
The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid an insurance premium to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

The Group has agreed to indemnify each of the Directors and the Company Secretary of the Company and its controlled entity, against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors and Company Secretary of the company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses. No agreements have been entered into to indemnify the Group's auditors against any claims by third parties arising from their report on the Annual Financial Statements.

Indemnity and insurance of auditor

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

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 22 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 22 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

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.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service contracts
- Share-based compensation
- Consequences of performance on shareholder wealth
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

Remuneration levels for key management personnel of the Group are set to attract, retain and motivate appropriately qualified and experienced Directors and Executives. As the Group's principal activities during the year were new ventures and exploration / evaluation, measurement of remuneration policies against financial performance is not considered relevant. The measurement of remuneration policies considered a range of factors including budget performance, delivery of results and timely completion of development programmes.

The objective of the Group's reward framework is to ensure that remuneration policies and structures are fair and competitive. The Board of directors ("the Board") ensures that remuneration satisfies the following criteria for reward:
- competitiveness and reasonableness
- transparency
- attracts and retains high calibre executives
- rewards capability and experience.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 24 November 2011, where the shareholders approved a maximum annual aggregate remuneration of $500,000.

Director remuneration
The combination of these comprises the director's total remuneration.

Fixed remuneration
Fixed remuneration consists of base remuneration plus employer contributions to superannuation funds (unless otherwise stated). Remuneration levels are reviewed annually by the Board through a process that considers individual and overall performance of the Group and compares remuneration to ensure it is comparable and competitive within the market in which the Group operates.

Fixed remuneration is not "at risk" but is appropriately benchmarked and set with reference to role, responsibilities, skills and experience.

Performance-linked remuneration
Performance-linked remuneration can consist of both short-term and longer-term remuneration. Performance-linked remuneration is not based on specific financial indicators such as earnings or dividends as the Group is at the exploration and development stage. Vesting of long term incentives is based on the share price performance of the Group, which is considered an appropriate measure of the outcome of overall performance. There is no separate profit-share plan.

Long-term incentive
Long-term incentives ('LTI') can comprise share options and/or performance rights ('PR'), which are granted from time to time to encourage sustained performance in the realisation of strategic outcomes and growth in shareholder value. Options and rights are granted for no consideration and do not carry voting rights or dividend entitlements.

The Company adopted an Employee Incentive Option Plan ('EIOP') effective 16 March 2018. Under the EIOP, the Company may grant options to Company eligible employees to motivate and reward their performance in their respective roles up to a maximum of 5% of the Company's total issued ordinary shares at the date of the grant. The fair value of share options granted is estimated using the Black-Scholes Simulation model.

The Company has not awarded options to Directors and consultants under the EIOP to date.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the Group are set out in the following tables.

2020	Director and consulting fees	Short-term benefits: Cash bonus	Short-term benefits: Non-monetary	Post-employment benefits: Super-annuation	Long term benefits: Long service leave	Share-based payments: Shares	Share-based payments: Options	Total
	$	$	$	$	$	$	$	$
Non-Executive Directors:								
Dean Hely	42,500	-	-	4,038	-	-	-	46,538
Michael Foulds	55,000	-	-	-	-	-	-	55,000
Wayne McGrath	-	-	-	-	-	-	-	-
John Correia	75,000	-	-	-	-	-	-	75,000
Emmanuel Correia	30,000	-	-	-	-	-	-	30,000
Executive Directors:								
Daryl Henthorn	245,000	-	-	-	-	-	-	245,000
	447,500	-	-	4,038	-	-	-	451,538

2019	Director and consulting fees	Short-term benefits: Cash bonus	Short-term benefits: Non-monetary	Post-employment benefits: Super-annuation	Long-term benefits: Long service leave	Share-based payments: Shares	Share-based payments: Options	Total
	$	$	$	$	$	$	$	$
Non-Executive Directors:								
Emmanuel Correia	75,000	-	-	-	-	-	-	75,000
John Correia	75,000	-	-	-	-	-	-	75,000
Executive Directors:								
Daryl Henthorn	190,000	-	-	-	-	-	-	190,000
	340,000	-	-	-	-	-	-	340,000

Analysis of bonuses included in remuneration
No short-term incentive cash bonuses have been awarded as remuneration to Directors of the Company.

Consequences of performance on shareholder wealth

The earnings of the Group for the three years to 30 June 2020 are summarised below:

	2020 $	2019 $	2018 $
Loss after income tax	(617,418)	(736,481)	(1,770,838)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2020	2019	2018
Share price at financial year end ($)	0.04	0.16	0.11
Basic earnings per share (cents per share)	(0.11)	(0.14)	(1.58)

Given the Company's recapitalisation during 2018, only from 2018 has been included above as the financial performance in previous financial years is not comparable.

During the financial years noted above, there were no dividends paid or other returns of capital made by the Company to shareholders. The Group's financial performance is impacted by a number of factors.

As the Group is still in the exploration and development phase of its operations, the share price and thus the Company's market capitalisation is the only indicator of the Group's overall performance.

Service contracts

On appointment to the Board, all Directors enter into a letter of appointment with the Company specifying their functions and duties as a Director.

Remuneration and other terms of employment for key management personnel are formalised in service agreements. The service agreements outline the components of remuneration paid to the Executives and key management personnel ('KMPs') but do not prescribe how remuneration levels are modified year by year. Remuneration levels are reviewed each year to take into account cost of living changes, any change in the scope of the role performance by KMPs and any changes required to meet the principles of the remuneration policy. Details of these agreements are as follows:

Name:	Daryl Henthorn
Title:	Executive Chairman
Term of agreement:	Executive Director appointed until resignation as a Director or by rotation. Appointment terminated immediately if disqualified or prohibited by law from acting as a director.
Details:	Base fee: $180,000 p.a

Share-based compensation

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2020.

Options

There were no options over ordinary shares issued to Directors and other key management personnel as part of compensation that were outstanding as at 30 June 2020.

There were no options over ordinary shares granted to or vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2020.

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions*	Disposals/ other**	Balance at the end of the year
Ordinary shares					
Dean Hely	-	-	-	-	-
Michael Foulds	-	-	115,226,758	-	115,226,758
Wayne McGrath	-	-	6,666,667	-	6,666,667
Daryl Henthorn	38,917,665	-	-	(38,917,665)	-
John Correia	9,190,774	-	-	(9,190,774)	-
Emmanuel Correia	8,946,907	-	-	(8,946,907)	-
	57,055,346	-	121,893,425	(57,055,346)	121,893,425

* Shares held at respective Director's appointment date
** Shares held at respective Director's resignation date

Option holding
The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other*	Balance at the end of the year
Options over ordinary shares					
Dean Hely	-	-	-	-	-
Michael Foulds	-	-	-	342,466	342,466
Wayne McGrath	-	-	-	-	-
Daryl Henthorn	2,060,096	-	-	(2,060,096)	-
John Correia	407,465	-	-	(407,465)	-
Emmanuel Correia	475,959	-	-	(475,959)	-
	2,943,520	-	-	(2,601,054)	342,466

* Options held at respective Director's appointment date or resignation date

Other transactions with key management personnel and their related parties
Details of other transactions with key management personnel are disclosed in note 24.

Loans to Directors and executives
There were no loans from Directors during the current financial year.

Shares issued on the exercise of options
There were no ordinary shares of Orminex Limited issued on the exercise of options during the year ended 30 June 2020 and up to the date of this report.

Voting and comments at the Company's 2019/20 Annual General Meeting
The Company received 99.95% of “yes” votes on its remuneration report for the 30 June 2019 financial year. The Company did not receive any specific feedback at the annual general meeting or throughout the year on its remuneration practices.

This concludes the remuneration report, which has been audited.

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

Dean Hely
Non-Executive Director

25 September 2020
Perth

Moore Australia Audit (WA)

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AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ORMINEX LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

a) no contraventions of the auditor independence requirements as set out in *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.

MOORE AUSTRALIA

SUAN-LEE TAN
PARTNER

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 25th day of September 2020.

Orminex Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020

	Note	2020 $	2019 $
Revenue			
Revenue from gold sales		542,934	-
Milling and treatment costs		(173,290)	-
		369,644	-
Other income	6	323,542	297,205
Expenses			
Professional fees	7	(748,907)	(658,931)
Employee benefits expense		(69,996)	-
Amortisation - right of use asset	13	(32,494)	-
Write off of assets - exploration and evaluation	14	(68,296)	-
Listed entity expenses		(78,246)	(68,336)
Travel expenses		(5,235)	(38,948)
Stamp duty		(83,610)	(118,655)
Royalties		(27,213)	-
Other expenses		(127,946)	(148,816)
Finance costs		(4,170)	-
Loss before income tax expense		(552,927)	(736,481)
Income tax expense	8	(64,491)	-
Loss after income tax expense for the year attributable to the owners of Orminex Limited		(617,418)	(736,481)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Orminex Limited		(617,418)	(736,481)
		Cents	**Cents**
Basic earnings per share	9	(0.11)	(0.14)
Diluted earnings per share	9	(0.11)	(0.14)

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

Orminex Limited
Statement of financial position
As at 30 June 2020

	Note	2020 $	2019 $
Assets			
Current assets			
Cash and cash equivalents	10	1,437,029	1,529,700
Trade and other receivables	12	2,291,839	77,353
Other		85,177	55,000
Total current assets		3,814,045	1,662,053
Non-current assets			
Trade and other receivables	12	701,123	3,267,672
Property, plant and equipment		26,597	31,930
Right-of-use assets	13	62,280	-
Exploration and evaluation	14	8,158,418	7,717,164
Total non-current assets		8,948,418	11,016,766
Total assets		12,762,463	12,678,819
Liabilities			
Current liabilities			
Trade and other payables	15	1,208,130	659,810
Borrowings	16	85,177	-
Lease liabilities	17	67,565	-
Total current liabilities		1,360,872	659,810
Total liabilities		1,360,872	659,810
Net assets		11,401,591	12,019,009
Equity			
Issued capital	18	295,661,554	295,661,554
Accumulated losses		(284,259,963)	(283,642,545)
Total equity		11,401,591	12,019,009

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

Orminex Limited
Statement of changes in equity
For the year ended 30 June 2020

	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2018	295,645,115	(282,906,064)	12,739,051
Loss after income tax expense for the year	-	(736,481)	(736,481)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(736,481)	(736,481)
Transactions with owners in their capacity as owners:			
Issue of shares on exercise of options	16,439	-	16,439
Balance at 30 June 2019	295,661,554	(283,642,545)	12,019,009

	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2019	295,661,554	(283,642,545)	12,019,009
Loss after income tax expense for the year	-	(617,418)	(617,418)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(617,418)	(617,418)
Balance at 30 June 2020	295,661,554	(284,259,963)	11,401,591

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

Orminex Limited
Statement of cash flows
For the year ended 30 June 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Receipts from customers		542,934	-
Payments to suppliers and employees		(1,250,578)	(1,046,529)
		(707,644)	(1,046,529)
Interest received		11,091	39,396
Other revenue		27,831	-
Refund received relating to prior periods		62,818	193,748
Income taxes paid		(4,200)	-
Net cash used in operating activities	11	(610,104)	(813,385)
Cash flows from investing activities			
Payments for property, plant and equipment		(1,064)	(14,128)
Payments for exploration and evaluation		(47,242)	(412,523)
Payments for mine development		(52,882)	(70,448)
Net cash used in investing activities		(101,188)	(497,099)
Cash flows from financing activities			
Proceeds from issue of shares	18	-	16,439
Repayment of working capital facility		650,000	-
Repayment of lease liabilities		(31,379)	-
Payment of working capital facility		-	(2,000,000)
Net cash from/(used in) financing activities		618,621	(1,983,561)
Net decrease in cash and cash equivalents		(92,671)	(3,294,045)
Cash and cash equivalents at the beginning of the financial year		1,529,700	4,823,745
Cash and cash equivalents at the end of the financial year	10	1,437,029	1,529,700

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

Note 1. General information

The financial statements cover Orminex Limited as a Group consisting of Orminex Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Orminex Limited's functional and presentation currency.

Orminex Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 5, Level 1, 460 Roberts Road, Subiaco WA 6008

The Group is an Australian gold development and exploration company, with a focus on sourcing, developing and managing stranded, high grade gold assets into production.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 25 September 2020.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

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

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 16 Leases
The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. Refer to note 17 on the transition impact of AASB 16.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Note 2. Significant accounting policies (continued)

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, share based payments 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 Group'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 3.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 26.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Orminex Limited ('Company' or 'parent entity') as at 30 June 2020 and the results of all subsidiaries for the year then ended. Orminex Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Revenue recognition
The Group recognises revenue as follows:

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery. Revenue is recognised at the amount to which the Group expects to be entitled. If the consideration promised includes a variable amount the Group estimates the amount of consideration to which it will be entitled.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Note 2. Significant accounting policies (continued)

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Impairment of non-financial assets
Non-financial assets, other than deferred tax assets ("DTAs") are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

An impairment loss is recognised if the carrying amount of an asset exceeds it recoverable amount. Impairment losses are recognised in profit or loss.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2020. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

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

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

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

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

Exploration and evaluation costs
Exploration and evaluation costs have been capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 4. Operating segments

Identification of reportable operating segments
The Group is organised into one operating segment being gold exploration and evaluation. The operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Reportable segments disclosed are based on aggregating leases where the evaluation and exploration interests are considered to form a single project. This is indicated by:
- having the same ownership structure;
- exploration being focused on gold; and
- exploration programs targeting the leases as a group, indicated by the use of the same exploration team, shared geological data and knowledge across the leases.

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss during the year ended 30 June 2020.

Accounting policy for operating segments
Unless otherwise stated, all amounts reported to the Board of Directors as the CODM with respect to operating segments, are determined in accordance with AASB 8 Operating Segments.

Note 5. Revenue

Revenue from gold sales relates to residual ore from previous open cut mining conducted at Penny's Find that was stockpiled on site. The 3,578t of residual ore was processed resulting in the recovery of 251 gold ounces.

	2020 $	2019 $
Revenue from sales		
Revenue from gold sales	542,934	-

Accounting policy for sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery. Revenue is recognised at the amount to which the Group expects to be entitled. If the consideration promised includes a variable amount the Group estimates the amount of consideration to which it will be entitled.

Note 6. Other income

	2020 $	2019 $
Interest income - working capital facility	283,451	257,809
Interest income - other	11,091	39,396
Rental income	16,500	-
Government stimulus package	12,500	-
Other income	323,542	297,205

* The Company has earned interest on the working capital facility with Mineral Venture Pty Ltd ("Mineral Venture") to partially meet initial working capital costs for mining at Comet Vale. The facility incurs interest at 10% per annum.

Accounting policy for other income
Other income is recognised when the amount can be reliably measured and control of the right to receive the income be passed to the Group.

Interest is recognised using the effective interest method.

Note 7. Professional fees

	2020 $	2019 $
Accountancy and audit cost	129,445	157,449
Consultant fees	75,966	79,451
Directors remuneration	402,500	340,000
Legal fees	100,646	82,031
Recruitment expenses	40,350	-
	748,907	658,931

Note 8. Income tax

	2020 $	2019 $
Income tax expense		
Current tax	21,658	-
Deferred tax - origination and reversal of temporary differences	-	-
Adjustment recognised for prior periods	42,833	-
Aggregate income tax expense	64,491	-
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(552,927)	(736,481)
Tax at the statutory tax rate of 27.5%	(152,055)	(202,532)
Adjustment recognised for prior periods	42,833	-
Other permanent adjustments	173,713	202,532
Income tax expense	64,491	-

	2020 $	2019 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	2,360,329	1,807,402
Potential tax benefit @ 27.5%	649,090	497,036

These tax losses can only be utilised in the future if future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised, the conditions for deductibility imposed by tax legalisation continue to be complied with, no changes in tax legislation adversely affect the Group in realising the benefit and, the continuity of ownership test is passed, or failing that, the same business test is passed.

The Group is not a tax consolidated group.

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

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

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

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

Note 8. Income tax (continued)

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

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 9. Earnings per share

	2020 $	2019 $
Loss after income tax attributable to the owners of Orminex Limited	(617,418)	(736,481)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	539,102,168	538,666,814
Weighted average number of ordinary shares used in calculating diluted earnings per share	539,102,168	538,666,814
	Cents	**Cents**
Basic earnings per share	(0.11)	(0.14)
Diluted earnings per share	(0.11)	(0.14)

At 30 June 2020, 9,452,055 (30 June 2019: 9,452,055 options) were excluded from diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

Accounting policy for earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Orminex Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 10. Cash and cash equivalents

	2020 $	2019 $
Current assets		
Cash in hand	427	427
Cash at bank	1,436,602	1,529,273
	1,437,029	1,529,700

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 11. Cash flow information

Reconciliation of loss after income tax to net cash used in operating activities

	2020 $	2019 $
Loss after income tax expense for the year	(617,418)	(736,481)
Adjustments for:		
Depreciation and amortisation	35,826	3,305
Impairment of non-current assets	68,296	-
Other	7,235	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(297,937)	(162,298)
Increase in other current assets	(30,177)	(51,083)
Increase in trade and other payables	224,071	133,172
Net cash used in operating activities	(610,104)	(813,385)

Note 12. Trade and other receivables

	2020 $	2019 $
Current assets		
Trade receivables	8,250	-
Loan Mineral Ventures Pty Ltd	2,200,000	-
Other receivables	83,589	77,353
	2,291,839	77,353
Non-current assets		
Loan to Mineral Ventures Pty Ltd	701,123	3,267,672

Note 12. Trade and other receivables (continued)

The Company maintains a $3 million unsecured working capital facility with Mineral Ventures Pty Ltd ('Mineral Ventures') (formerly GBF Mining Pty Ltd) to partially meet initial working capital costs for mining at Comet Vale. The facility incurs interest at 10% per annum. Pursuant to the mine management agreement ('MMA') with Mineral Ventures, net proceeds from the Comet Vale gold sales are used to repay the $3 million loan, in a pro rata arrangement with any return on working capital to Mineral Ventures, less amounts reserved by Mineral Ventures to meet future working capital needs.

During the year, the Company commissioned separate independent technical and engineering reports into the Comet Vale project. As announced by the Company on 13 March 2020, these reports concluded, amongst other matters, that there remains a risk that the mining operations will not generate sufficient revenue to recover working capital costs that may be incurred to complete the current mine plan, in the absence of cost reductions and improvements in grade. In light of the above conclusions and the Company’s current working capital position, there is an increased risk of potentially not fully recovering the loan, as it remains subject to the future performance of the project and whose cashflows are currently difficult to forecast.

The Company has been repaid $650,000 by Mineral Ventures from net gold proceeds during the year.

On 28 July 2020, the Company announced a variation to the working capital facility held with Mineral Ventures. Key terms included the repayment of a minimum of $200,000 each month to the Company, the facility being secured up to $1,500,000 (relating to two commercial properties in Subiaco WA) and interest accruing at 5% pa on the secured portion and 10% pa on the unsecured portion. Since July 2020, the Company has received a total of $850,000 in accordance with the variation deed.

Under the general approach to impairment, the Group has assessed there was no impairment to the working capital facility for the year.

Accounting policy for trade and other receivables
Trade and other receivables are recognised initially at the value of the invoice sent to the counter-party and are subsequently measured using a forward looking “expected credit loss” (ECL) model.

The Group uses the general approach to impairment, as applicable under AASB 9: Financial Instruments. Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and if:
- the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 13. Right-of-use assets

	2020 $	2019 $
Non-current assets		
Land and buildings - right-of-use	94,774	-
Less: Accumulated amortisation	(32,494)	-
	62,280	-

The Group leases land and buildings for its office under an agreement for 2 years with an option to extend for another 2 years.

Note 13. Right-of-use assets (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land & Building $	Total $
Balance at 1 July 2018	-	-
Balance at 30 June 2019	-	-
Adoption of AASB 16 on 1 July 2019	94,774	94,774
Amortisation expense	(32,494)	(32,494)
Balance at 30 June 2020	62,280	62,280

Accounting policy for right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are amortised on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the amortisation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities. The subsequent measurement of the right-of-use assets is at cost less accumulated amortisation and impairment losses.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Initial Application of AASB 16: Leases
The Group has adopted the modified retrospective approach under AASB 16: Leases at 1 July 2019. In accordance with AASB 16 the comparatives for the 2018/19 reporting period have not been restated. The Group has recognised a lease liability and right-of-use asset for all leases (with the exception of short-term and low-value leases) recognised as operating leases under AASB 117: Leases where the Company is the lessee. At 1 July 2019, the Group has also elected to measure the right-of-use asset at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at transition date. As a result, there is no adjustment to retained earnings.

Note 14. Exploration and evaluation

	2020 $	2019 $
Exploration assets		
Opening balance	7,717,164	6,834,124
Acquisition of Happy Jack Tenement	-	60,000
Acquisition of Penny's Find Tenement	-	600,000
Exploration expenditure capitalised*	509,550	223,040
Write off of capitalised exploration**	(68,296)	-
Closing balance	8,158,418	7,717,164

Note 14. Exploration and evaluation (continued)

* Of the capitalised exploration expenditure for the year, $430,383 relates to the Penny's Find project and initial works to determine its suitability for further drilling.

** During the year, the Happy Jack project tenement P29/2589 reached its 8^{th} year - meaning it could no longer be renewed and would need to be converted into a Mining Lease in order to be retained. The tenement was not converted into a Mining Lease and expired on 18 July 2020.

Accounting policy for exploration and evaluation assets
Exploration and evaluation expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration and evaluation expenditure for each area of interest is carried forward as an asset provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and
- active and significant operations in relation to the area are continuing.

Expenditure which fails to meet the conditions outlined above is written off, furthermore, the directors regularly review the carrying value of exploration and evaluation expenditure and make write downs if the values are not expected to be recoverable.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions referred to above is met.

Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired, is accounted for in accordance with the policy outlined above for exploration expenditure incurred by or on behalf of the entity.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off. Expenditure is not carried forward in respect of any area of interest unless the Group’s right of tenure to that area of interest is current.

The ultimate recovery of the carrying values of the exploration and evaluation expenditure is dependent upon the successful development and commercial exploitation or, alternatively, sale of the interest in the tenements. While the decision by the Company's strategic alliance partner, Minerals Ventures Pty Ltd, to suspend operations at the Comet Vale Project (as announced 3 September 2020) gives rise to material uncertainty on the recoverability of the Comet Vale Project, the Directors are of the opinion that these assets are recoverable for the amount stated in the financial report.

Note 15. Trade and other payables

	2020 $	2019 $
Current liabilities		
Trade payables	627,515	68,550
Accruals	518,000	591,260
Income tax payable	60,291	-
Other payables	2,324	-
	1,208,130	659,810

Refer to note 20 for further information on financial risk management.

Accounting policy for 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. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method. The amounts are unsecured and are usually paid at the end of the month following date of recognition.

Note 16. Borrowings

	2020 $	2019 $
Current liabilities		
Loan for insurance funding	85,177	-

Refer to note 20 for further information on financial risk management.

Accounting policy for borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 17. Lease liabilities

	2020 $	2019 $
Current liabilities		
Lease liability	67,565	-

Note 17. Lease liabilities (continued)

	2020 $	2019 $
Reconciliation of lease liability		
Operating lease commitments disclosed as at 30 June 2019	28,463	-
Changes to extension option assumptions and discounted using incremental borrowing rate at the date of initial application	66,311	-
Balance at 1 July	94,774	-
Movements during the year		
Payment	(31,379)	-
Interest charged during the period	4,170	-
Balance at 30 June	67,565	-

	2020 $	2019 $
Amounts recognised in profit or loss		
Leases under AASB 16		
Interest on lease liabilities	4,170	-
Amortisation	32,494	-
	36,664	-

Accounting policy for lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Initial Application of AASB 16: Leases
The Group has adopted the modified retrospective approach under AASB 16: Leases at 1 July 2019. In accordance with AASB 16 the comparatives for the 2018/19 reporting period have not been restated. Lease liabilities are measured at the present value of the remaining lease payments. The Group's incremental borrowing rate as at 1 July 2019 was used to discount the lease payments.

Note 18. Issued capital

	2020 Shares	2019 Shares	2020 $	2019 $
Share capital	539,102,168	539,102,168	295,661,554	295,661,554

Note 18. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2018	538,554,223		295,645,115
Issue of shares on option conversion		547,945	$0.03	16,439
Balance	30 June 2019	539,102,168		295,661,554
Balance	30 June 2020	539,102,168		295,661,554

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.

Capital risk management
The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2019 Annual Report.

Accounting policy for issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 19. Options

	2020	2019
Options on issue		
Exercisable at $0.03 on or before 15 April 2021	9,452,055	9,452,055
On issue at 30 June	9,452,055	9,452,055

	2020	2019
Movements in options on issue		
On issue at 1 July	9,452,055	10,027,698
Exercise of options	-	(547,945)
Expiry of options	-	(27,698)
On issue at 30 June	9,452,055	9,452,055

Note 20. Financial risk management

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group Audit and Risk Management Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Market risk

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group only has interest rate risk relating to its funds on deposit with banking institutions. Accordingly, the Group does not hedge its interest rate risk exposure.

At the reporting date the Group hold variable rate financial assets and did not hold any variable rate financial liabilities.

Exposure to interest rate risk

As at the reporting date, the Group had the following variable rate financial assets as reported to management for the Group as follows

	2020 Balance $	2019 Balance $
Cash and cash equivalents	1,437,029	1,529,700
Net exposure to cash flow interest rate risk	1,437,029	1,529,700

Note 20. Financial risk management (continued)

Fair value sensitivity analysis for fixed rate instruments
The Group has a working capital facility with Mineral Ventures to partially meet initial working capital costs for mining at Comet Vale which incurs interest at 10% per annum. Refer to note 12.

The Group does not account for any other fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments
A change of basis points in interest rates at the reporting date would have increased / (decreased) profit and loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for twelve months ended 30 June 2020.

	Basis points increase			Basis points decrease		
2020	**Basis points change**	**Effect on profit before tax**	**Effect on equity**	**Basis points change**	**Effect on profit before tax**	**Effect on equity**
Variable rate instruments	100	14,370	14,370	(100)	(14,370)	(14,370)

	Basis points increase			Basis points decrease		
2019	**Basis points change**	**Effect on profit before tax**	**Effect on equity**	**Basis points change**	**Effect on profit before tax**	**Effect on equity**
Variable rate instruments	100	15,297	15,297	(100)	(15,297)	(15,297)

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and arises principally from the Group's receivables from customers and investments in debt securities. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

As detailed in note 12, the Company is exposed to significant credit risk arising from the working capital facility loan from Mineral Ventures Pty Ltd. Credit risk has been reduced following the variation deed agreed with Mineral Ventures Pty Ltd whereby $200,000 per month will be repaid and security has been granted to the Group to the value of up to between $1 million and $1.5 million.

The Company notes the announcement to the market on 3 September 2020 that it had received notice from Mineral Ventures Pty Ltd that it intends to suspend mining operations at Comet Vale but will continue to meet its working capital loan repayments post the suspension of mining operations.

Cash and cash equivalents
The Group held cash and cash equivalents of $1,437,029 at 30 June 2020 (2019: $1,529,700). The cash and cash equivalents are held with authorised banking institutions and only with counterparties that have an acceptable credit rating.

Other receivables
As the Group operates primarily in exploration activities, it does not have material trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

Currently, the Group undertakes exploration and evaluation activities exclusively in the Australia. There are no financial assets past due and there is no management of credit risk through performing an aging analysis; therefore, an aging analysis has not been disclosed.

Note 20. Financial risk management (continued)

By geographic regions, the maximum exposure to credit risk for other receivables in Australia as at 30 June 2020 was $2,901,123 (2019: $3,267,672).

Allowance for expected credit losses
The Group has not recognised a loss in profit or loss in respect of the expected credit losses for the year ended 30 June 2020. Refer to note 12 for for detail. No allowances have been made for further expected credit losses.

Liquidity risk
Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

	Carrying Amount $	Contractual Cash Flows $	12 Months or Less $
30 June 2020			
Non-derivative financial liabilities			
Trade and other payables	(1,275,695)	(1,275,695)	(1,275,695)
Financial assets - cash flow receivables			
Cash and cash equivalents	1,437,029	1,437,029	1,437,029
Trade and other receivables	2,992,962	2,992,962	2,291,839
	3,154,296	3,154,296	2,453,173
30 June 2019			
Non-derivative financial liabilities			
Trade and other payables	(659,810)	(659,810)	(659,810)
Financial assets - cash flow receivables			
Cash and cash equivalents	1,529,700	1,529,700	1,529,700
Trade and other receivables	3,345,025	3,345,025	77,353
	4,214,915	4,214,915	947,243

Note 20. Financial risk management (continued)

Remaining contractual maturities
The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2020	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	1,208,130	-	-	-	1,208,130
Lease liabilities	-	67,565	-	-	-	67,565
Total non-derivatives		1,275,695	-	-	-	1,275,695

2019	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	(659,810)	-	-	-	(659,810)
Total non-derivatives		(659,810)	-	-	-	(659,810)

Fair value of financial instruments
A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurable date. Fair value for measurement and / or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2 or value in use in AASB 136.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurable date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Cash and cash equivalents, trade and other receivables, trade creditors, other creditors, accruals and employee entitlements have been excluded from the above analysis as their fair values are equal to the carrying values.

Note 21. Asset Acquisitions

Acquisition – Penny's Find Gold Mine
During the previous financial year, the Company, through its wholly owned subsidiary Orminex Penny's Find Pty Ltd, acquired 100% of Penny's Find Gold Mine from Empire Resources Ltd ('Empire').

Consideration payable to Empire is as follows:
- Cash consideration payable in 3 tranches:
  - First payment of $200,000 on signing of detailed documentation
  - Second payment of $200,000 on commencement of mining from M27/156
  - Third payment of $200,000 on first gold pour from M27/156.
- Net smelter royalty of payable on the first 50,000 ounces produced from M27/156 and thereafter a 2.5% net smelter royalty for like of mine.

Acquisition – Happy Jack Tenement
During the previous financial year, the Company, through its wholly owned subsidiary Orminex Happy Jack Pty Ltd, acquired 100% of Happy Jack Tenement P29/2217.

Consideration payable is as follows:
- Cash consideration of $60,000;
- Net smelter royalty of 1% of gross revenue from any mineral extracted from the tenement

Note 22. Remuneration of auditors

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

	2020 $	2019 $
Audit services - Moore Australia		
Audit or review of the financial statements	36,270	30,664
Other services -		
Preparation of the tax return	8,000	17,500
	44,270	48,164

Note 23. Related party transactions

Parent entity
Orminex Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 25.

Key management personnel
Disclosures relating to key management personnel are set out in note 24 and the remuneration report included in the Directors' report.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Note 23. Related party transactions (continued)

Receivable from and payable to related parties
Mineral Ventures Pty Ltd, an entity associated with Mr Michael Foulds and Mr Ross Graham, is due $450,369 as at 30 June 2020 for works performed in relation to Penny's Find Gold Mine.

There were no other trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	2020 $	2019 $
Total receivables:		
Working capital facility to Mineral Ventures Pty Ltd*	2,901,123	3,267,672

* Mineral Ventures Pty Ltd (formerly GBF Mining Pty Ltd) is company of which Mr Ross Graham and Mr Michael Foulds are shareholders and directors. Refer to note 12 for further details. Mineral Ventures Pty Ltd repaid the Group $650,000 during the year under the Working Capital Facility Agreement. Interest income of $283,451 has been recognised during the year in relation to the facility.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 24. Key management personnel disclosures

Compensation
The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	2020 $	2019 $
Short-term employee benefits	447,500	340,000
Post-employment benefits	4,038	-
	451,538	340,000

Other key management personnel transactions
A number of these companies transacted with the Group during the year. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions to non-key management personnel related companies on an arm’s length basis.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

Note 24. Key management personnel disclosures (continued)

- Viridian Capital Pty Ltd, a company of which Mr Daryl Henthorn is a director, charged the Company for Director fees of $225,000 (2019: $175,000) and consulting fees of $20,000 (2019: $15,000) and administrative, bookkeeping and analyst services totalling $21,187 (2019: $67,698). $49,860 (2019: $22,550) was outstanding at year end.
- Cardrona Energy Pty Ltd, a company of which Mr Emmanuel Correia is a director, charged the Company for Director fees of $20,000 (2019: $60,000) and consulting fees of $10,000 (2019: $15,000). No balance (2019 $10,000) was outstanding at year end.
- C4 Capital Pty Ltd, a company of which Mr John Correia is a director, charged the Company for Director fees of $60,000 (2019: $60,000) and consulting fees of $15,000 (2019: $15,000). No balance (2019: $10,000) was outstanding at year end.
- Michael Foulds is a director, charged the Company for director fees totalling $55,000 (2019: $nil) and this balance is outstanding (2019: $nil) at year end.
- Dean Hely, is a director, charged the Company for director fees totalling $42,500 (2019: $nil). A balance of $5,000 (2019: $nil) was outstanding at year end.
- Mineral Ventures Pty Ltd (formerly GBF Mining Pty Ltd), a company of which Mr Ross Graham and Mr Michael Foulds are shareholders and directors, repaid the Company $650,000 during the year under the Working Capital Facility Agreement.

Note 25. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %
Orminex West Pty Ltd	Australia	100%	100%
Golden Lode Pty Ltd	Australia	100%	100%
Orminex Happy Jack Pty Ltd	Australia	100%	100%
Orminex Penny's Find Pty Ltd	Australia	100%	100%
Old Pirate Pty Ltd	Australia	100%	100%

Note 26. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2020 $	Parent 2019 $
Loss after income tax	(894,131)	(813,891)
Total comprehensive income	(894,131)	(813,891)

Note 26. Parent entity information (continued)

Statement of financial position

	Parent 2020 $	2019 $
Total current assets	740,184	1,623,038
Total non-current assets	10,432,240	10,180,825
Total assets	11,172,424	11,803,863
Total current liabilities	334,237	71,545
Total non-current liabilities	-	-
Total liabilities	334,237	71,545
Equity		
Issued capital	295,661,554	295,661,554
Accumulated losses	(284,823,367)	(283,929,236)
Total equity	10,838,187	11,732,318

Note 27. Commitments

The Group has the following commitments principally relating to the minimum expenditure requirements for Golden Lode Project tenements.

	2020 $	2019 $
Exploration expenditure		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	429,322	339,460
One to five years	1,638,705	42,920
More than five years	-	10,000
	2,068,027	392,380

Note 28. Contingent liabilities

The Group has consideration payables, such as net smelter royalty, on Penny's Find Gold Mine being contingent on the commencement of mining activities. There are no other contingent liabilities as at 30 June 2020 (30 June 2019: nil).

Note 29. Events after the reporting period

On 17 July 2020, Mr Daryl Henthorn and Mr John Correia resigned from their positions as Non-Executive Directors.

Note 29. Events after the reporting period (continued)

On 28 July 2020, the Company announced a variation to the working capital facility held with Mineral Ventures Pty Ltd. Key terms included the repayment of a minimum of $200,000 each month to the Company, the facility being secured up to $1,500,000 and interest accruing at 5% pa on the secured portion and 10% pa on the unsecured portion.

On 19 August 2020, the Company announced that it had executed a framework letter for the purchase of a gold project in Indonesia. The acquisition is subject to due diligence and subsequent agreement of formal terms.

During the year, the Happy Jack project tenement P29/2589 reached its 8th year - meaning it could no longer be renewed and would need to be converted into a Mining Lease in order to be retained. The tenement was not converted into a Mining Lease and expired on 18 July 2020.

On 3 September 2020, the Company announced that following a drilling program at Comet Vale the Company received notice from Mineral Ventures Pty Ltd that it intended to suspend mining operations at Comet Vale. During the suspension, a full review of mining operations will be completed to develop an understanding of the controls on mineralisation.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Orminex Limited
Directors' declaration
30 June 2020

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Dean Hely
Non-Executive Director

25 September 2020
Perth

Moore Australia Audit (WA)

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORMINEX LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Orminex Limited (the Company) and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a) the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

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

Independence

We are independent of the 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

Emphasis of matter - Material Uncertainty Related to Carrying Value of Exploration & Evaluation Expenditure

We draw attention to Note 14 the financial report, which indicates a material uncertainty in relation to the recoverability of the Group's capitalised exploration and evaluation expenditure in relation to Comet Vale Project. Attention is also drawn to the announcement on 3rd September 2020 (detailed in Note 29 of the financial report) that the Company had received notice from its strategic alliance partner, Mineral Ventures Pty Ltd, that it intends to suspend mining operations at Comet Vale. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying value of Capitalised Exploration & Evaluation Assets	
Refer to Note 14 Exploration & Evaluation Assets	
At 30 June 2020, the Group's statement of financial position includes capitalised exploration and evaluation assets of approximately $8.16 million, representing 64% of the Group's total gross assets. Of the $8.16 million, $6.15 million relates to the Comet Vale Project. The ability to recognise and to continue to defer exploration and evaluation assets under AASB 6: *Exploration for and Evaluation of Mineral Resource* is impacted by the Group's ability, and intention, to continue with the operating activities or its ability to realise this value through development or sale. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying value of these assets may exceed its recoverable amount. Due to the significance of these assets and the subjectivity involved in assessing the ability to continue to defer these assets, this is considered a key audit matter.	Our procedures included, amongst others: • We addressed the Group's assessment of the ability to continue to defer the exploration and evaluation assets under AASB 6 • Ensuring that the Group has the ongoing right to explore in the relevant exploration areas of interests by performing a sample of tenement searches on the Department of Mines WA website. • We substantiated a sample of exploration expenditures against supplier invoices or agreements • Ensuring the Group is committed to continue exploration and evaluation activity in the relevant areas of interest including assessing their expenditures that have been planned or budgeted for • Discussions with management, review of ASX announcements to-date on the Group's current activities and review of other documents • Assessing the carrying value of these assets for any indicators of impairment We also assessed the appropriateness of the disclosures contained in the financial report.

Key Audit Matters (continued)

Valuation and Classification of Loan Receivable from Mineral Ventures Pty Ltd ("Mineral Ventures")	
Refer to Note 12	
Valuation of receivables is a key audit matter. It is due to the size of the account balance and the judgement required in determining the recoverability and classification of the loan's carrying value that is a key area of audit focus. The loan is a working capital facility to Mineral Ventures Pty Ltd (formerly GBF Mining Pty Ltd) as set out in Note 12, amounting to approximately $2.9 million as balance date. The purpose of the facility is to partially fund the mining costs at the Comet Vale Project and is to be repaid from future gold sales. This loan receivable is material to the Group.	Our procedures included, amongst others: • Ensuring details of the initial loan are consistent with disclosures contained in the Company's Prospectus document previously announced to the ASX • Obtained direct confirmation from Mineral Ventures Pty Ltd of the year-end loan balance and agreeing repayments made during the financial year to bank statements and the accrued interest to internal workings • Reviewing the underlying working capital agreement and the subsequent Deed of Variation (announced on 28 July 2020) to ensure the loan has been accounted for and presented in accordance with the revised terms and conditions under the Deed of Variation. • Ensuring any scheduled repayments by Mineral Ventures have occurred pursuant to Deed of Variation. This included agreeing the deposits received since 28 July 2020 to the Company's subsequent bank statements. • Discussing with management the progress of the first priority mortgage security registration for the two commercial properties located in Subiaco, Western Australia, being granted in favour of the Company by Mineral Ventures under the Deed of Variation. Additionally, we assessed the agreed property values against external market data, where available, for reasonableness • Considered the Company's announcement on 3 September 2020 which stated the intention by Minerals Ventures to continue meeting its loan repayments post the suspension of mining operations at Comet Vale We also assessed the appropriateness of the disclosures contained in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information 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.

MOORE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORMINEX LIMITED (CONTINUED)

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 ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our audit report.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report as included in the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Orminex Limited, for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

MOORE AUSTRALIA

SL TAN
PARTNER
Signed at Perth on the 25th day of September 2020

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

ORMINEX LIMITED
ACN 008 740 672
(COMPANY)

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement is current as of 25 September 2020 and has been approved by the Board of the Company on that date.

This Corporate Governance Statement discloses the extent to which the Company follows the recommendations set by the ASX Corporate Governance Council in its publication "Corporate Governance Principles and Recommendations" 3rd edition (**Recommendations**). The Recommendations are not mandatory, however, the Recommendations that will not be followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the recommendation.

The Company has adopted a Corporate Governance Plan that provides the written terms of reference for the Company's corporate governance duties that is available on the Company's website at www.orminex.com.au.

Due to the current size and nature of the existing Board, the Board has not established individual Board committees. Under the Board's Charter, the duties that would ordinarily be assigned to individual committees are currently carried out by the full Board under the written terms of reference for those committees.

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
Principle 1: Lay solid foundations for management and oversight		
Recommendation 1.1 A listed entity should have and disclose a charter which sets out the respective roles and responsibilities of the Board, the Chair and management, and includes a description of those matters expressly reserved to the Board and those delegated to management.	YES	The Company has adopted a Board Charter that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management. The Board Charter sets out the specific responsibility of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
		A copy of the Company's Board Charter, which is part of the Company's Corporate Governance Plan, is available on the Company's website.
Recommendation 1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and (b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a Director.	YES	(a) The Company has guidelines for the appointment and selection of the Board in its Corporate Governance Plan. The Company's Nomination Committee Charter (in the Company's Corporate Governance Plan) requires. the Nomination Committee (or, in its absence, the Board) to ensure appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate)) are undertaken before appointing a person or putting forward to security holders a candidate for election, as a Director. (b) Under the Nomination Committee Charter, all material information relevant to a decision on whether or not to elect or re-elect a Director must be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director.
Recommendation 1.3 A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.	YES	The Company's Nomination Committee Charter requires the Nomination Committee (or, in its absence, the Board) to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment. The Company has written agreements with each of its Directors and senior executives.
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.	YES	The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
Recommendation 1.5 A listed entity should: (a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary or it; and (c) disclose as at the end of each reporting period: (i) the measurable objectives for achieving gender diversity set by the Board in accordance with the entity's diversity policy and its progress towards achieving them; and (ii) either: the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or if the entity is a "relevant employer" under the Workplace Gender Equality Act 2012, the entity's most recent "Gender Equality Indicators" as defined in that Act.	PARTIALLY	(a) The Company has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect of gender diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives if considered appropriate and to assess annually both the objectives and the Company's progress in achieving them. (b) The Diversity Policy is available, as part of the Corporate Governance Plan, on the Company's website. (i) The Board does not presently intend to set measurable gender diversity objectives because, if it becomes necessary to appoint any new Directors or senior executives. the Board considered the application of a measurable gender diversity objective requiring a specified proportion of women on the Board and in senior executive roles will, given the small size of the Company and the Board, unduly limit the Company from applying the Diversity Policy as a whole and the Company's policy of appointing based on skills and merit; and (ii) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes) for each financial year will be disclosed on the Company's website
Recommendation 1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and	YES	(a) The Company's Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Board, its committees, and individual Directors on an annual basis. It may do so with the aid of an independent advisor. The process for this is set out in the Company's

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.		Corporate Governance Plan, which is available on the Company's website. (b) The Company's Corporate Governance Plan requires the Company to disclose whether performance evaluations were conducted during the relevant reporting period. The Company intends to complete performance evaluations in respect of the Board, its committees (if any) and individual Directors for each financial year in accordance with the above process.
Recommendation 1.7 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	YES	(a) The Company's Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Company's senior executives on an annual basis. The Company's Remuneration Committee (or, in its absence, the Board) is responsible for evaluating the remuneration of the Company's senior executives on an annual basis. A senior executive, for these purposes, means key management personnel (as defined in the Corporations Act) other than a non-executive Director. The applicable processes for these evaluations can be found in the Company's Corporate Governance Plan, which is available on the Company's website. (b) The Company's Corporate Governance Plan requires the Company to disclose whether performance evaluations were conducted during the relevant reporting period. The Company intends to complete performance evaluations in respect of the senior executives (if any) for each financial year in accordance with the applicable processes.
Principle 2: Structure the Board to add value		
Recommendation 2.1 The Board of a listed entity should:	YES	(a) The Company does not have a Nomination Committee. The Company's Nomination Committee Charter provides for the creation of a Nomination Committee (if it is

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
(a) have a nomination committee which: (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.		considered it will benefit the Company), with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director. (b) The Company does not have a Nomination Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Nomination Committee under the Nomination Committee Charter, including the following processes to address succession issues and to ensure the Board has the appropriate balance of skills, experience, independence, and knowledge of the entity to enable it to discharge its duties and responsibilities effectively: (i) devoting time at least annually to discuss Board succession issues and updating the Company's Board skills matrix; and (ii) all Board members being involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.
Recommendation 2.2 A listed entity should have and disclose a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.	NO	Under the Nomination Committee Charter (in the Company's Corporate Governance Plan), the Nomination Committee (or, in its absence, the Board) is required to prepare a Board skill matrix setting out the mix of skills and diversity that the Board current has (or is looking to achieve) and to review this at least annually against the Company's Board skills matrix to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction. The Company intends to develop a Board skill matrix setting out the mix of skills and diversity that the Board currently has

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
		or is looking to achieve in its membership. A copy will be made available on the Company's website. The Board Charter requires the disclosure of each Board member's qualifications and expertise. Full details as to each Director and senior executive's relevant skills and experience are available.
Recommendation 2.3 A listed entity should disclose: (a) the names of the Directors considered by the Board to be independent Directors; (b) if a Director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and (c) the length of service of each Director	YES	(a) The Board Charter requires the disclosure of the names of Directors considered by the Board to be independent. The Company will disclose those Directors it considers to be independent in its Annual Report and on its ASX website. The Board considers that none of the current Directors are independent. (b) There are no independent Directors who fall into this category. The Company will disclose in its Annual Report and ASX website any instances where this applies and an explanation of the Board's opinion why the relevant Director is still considered to be independent. (c) The Company's Annual Report will disclose the length of service of each Director, as at the end of each financial year.
Recommendation 2.4 A majority of the Board of a listed entity should be independent Directors.	NO	The Board Charter requires that, where practical, the majority of the Board must be independent. At this stage, due to the current size and nature of the existing Board and the magnitude of the Company's operations one of its directors is independent. As such, independent directors are not currently a majority of the Board. The Board does not currently consider an independent majority of the Board to be appropriate given:

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
		(a) the nature of the Company's business, and its limited scale of activities, means the Company only needs, and can only commercially sustain, a small Board of three Directors.
Recommendation 2.5 The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.	PARTIALLY	The Board Charter provides that, where practical, the Chair of the Board should be an independent Director and should not be the CEO/Managing Director. The Chair of the Company is rotating currently and as there is only one independent Director, at times the Chair is not an independent Director. The Company does not have a CEO. The Board has taken the following steps to structure the Board to add value despite not having an independent Chairman: (a) Board meetings are held with a flat structure allowing contribution from all Directors that allows for a diversity of views to be considered; and (b) The Board may as necessary consider the appointment of an independent director who can fulfil the role whenever the Chair is conflicted.
Recommendation 2.6 A listed entity should have a program for inducting new Directors and providing appropriate professional development opportunities for continuing Directors to develop and maintain the skills and knowledge needed to perform their role as a Director effectively.	YES	In accordance with the Company's Board Charter, the Nominations Committee (or, in its absence, the Board) is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Chair is responsible for facilitating inductions and professional development.
Principle 3: Act ethically and responsibly		
Recommendation 3.1 A listed entity should:	YES	(a) The Company's Corporate Code of Conduct applies to the Company's Directors, senior executives and employees.

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
(a) have a code of conduct for its Directors, senior executives and employees; and (b) disclose that code or a summary of it.		(b) The Company's Corporate Code of Conduct (which forms part of the Company's Corporate Governance Plan) is available on the Company's website.
Principle 4*: Safeguard integrity in financial reporting*		
Recommendation 4.1 The Board of a listed entity should: (a) have an audit committee which: (i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and (ii) is chaired by an independent Director, who is not the chair of the Board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	YES	(a) The Company currently does not have an Audit and Risk Committee. The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee (if it is considered it will benefit the Company), with at least three members, all of whom must be independent Directors, and which must be chaired by an independent Director who is not the Chair. (b) The Company does not have an Audit and Risk Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: (i) the Board devotes time at annual Board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors; and (ii) all members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
Recommendation 4.2 The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	YES	These obligations of a Company's CFO or CEO (if any) are set out in the Company's Corporate Governance Plan. The Company's Audit and Risk Committee Charter requires the CEO and CFO (or, if none. the person(s) fulfilling those functions) to provide a sign off on these terms. The Company intends to obtain a sign off on these terms for each of its financial statements in each financial year.
Recommendation 4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	YES	The Company's Corporate Governance Plan provides that the Board must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.
Principle 5: Make timely and balanced disclosure		
Recommendation 5.1 A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	YES	(a) The Board Charter provides details of the Company's disclosure policy. In addition, Corporate Governance Plan details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation. (b) The Board Charter and Schedule 7 of the Corporate Governance Plan are available on the Company website.
Principle 6: *Respect the rights of security holders*		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	YES	Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website.

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	YES	The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website as part of the Company's Corporate Governance Plan.
Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	YES	Shareholders are encouraged to participate at all EGMs and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material in that notice of meeting stating that all Shareholders are encouraged to participate at the meeting.
Recommendation 6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	YES	The Shareholder Communication Strategy states that, securityholders can register with the Company to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted. Shareholders queries should be referred to the Company Secretary at first instance.
Principle 7: Recognise and manage risk		
Recommendation 7.1 The Board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director,	YES	(a) The Company does not have an Audit and Risk Committee. The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee (if it is considered it will benefit the Company). with at least three members, all of whom must be independent Directors, and which must be chaired by an independent Director.

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.		(b) The Company does not have an Audit and Risk Committee as the Board consider the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to oversee the entity's risk management framework: (i) the Board devotes time at quarterly Board meetings to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.
Recommendation 7.2 The Board or a committee of the Board should: (a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound; and (b) disclose in relation to each reporting period, whether such a review has taken place.	YES	(a) The Audit and Risk Committee Charter requires that the Audit and Risk Committee (or. in its absence, the Board) should. at least annually, satisfy itself that the Company's risk management framework continues to be sound. (b) The Company's Corporate Governance Plan requires the Company to disclose at least annually whether such a review of the company's risk management framework has taken place.
Recommendation 7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	YES	(a) The Audit and Risk Committee Charter provides for the Audit and Risk Committee to monitor the need for an internal audit function. (b) The Company does not have an internal audit function. The Company is committed to understanding and managing risk and to establishing an organisational culture that ensures risk management is included in all activities, decision making and business processes. The

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
		Company does not have a formal internal audit function due to its size.
Recommendation 7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	YES	The Audit and Risk Committee Charter requires the Audit and Risk Committee (or, in its absence, the Board) to assist management determine whether the Company has any material exposure to economic, environmental, and social sustainability risks and, if it does, how it manages or intends to manage those risks. The Company's Corporate Governance Plan requires the Company to disclose whether it has any material exposure to economic, environmental, and social sustainability risks and, if it does, how it manages or intends to manage those risks. The Company will disclose this information in its Annual Report and on its ASX website as part of its continuous disclosure obligations.
Principle 8: Remunerate fairly and responsibly		
Recommendation 8.1 The Board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and	YES	(a) The Company does not have a Remuneration Committee. The Company's Corporate Governance Plan contains a Remuneration Committee Charter that provides for the creation of a Remuneration Committee (if it is considered it will benefit the Company). with at least three members, all of whom must be independent Directors, and which must be chaired by an independent Director. (b) The Company does not have a Remuneration Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Remuneration Committee under the Remuneration

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.		Committee Charter including the following processes to set the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive: (i) the Board devotes time at the annual Board meeting to assess the level and composition of remuneration for Directors and senior executives
Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives and ensure that the different roles and responsibilities of non-executive Directors compared to executive Directors and other senior executives are reflected in the level and composition of their remuneration.	YES	The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of non-executive, executive and other senior Directors which is disclosed on the Company's website.
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	YES	The Company has an equity based incentive remuneration scheme. The scheme includes a requirement that the holder does not enter into any transaction that will limit their economic exposure, whether by derivatives, swap, hedge or otherwise. A copy of the Company's incentive scheme is available on the Company's ASX website.

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 23 September 2020:

1. Distribution of ordinary shares

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	75	4,821	0.00%
1,001 - 5,000	79	286,798	0.05%
5,001 - 10,000	98	780,250	0.14%
10,001 - 100,000	458	20,527,009	3.81%
100,001 - 9,999,999,999	298	517,503,290	95.99%
Totals	**1,008**	**539,102,168**	**100.00%**

The number of holders with an unmarketable holding is 334, holding a total of 2,293,915 shares amounting to 0.43% of Issued Capital.

2. Twenty largest shareholders

Position	Holder Name	Holding	% IC
1	MERRYSOUL PTY LTD <FOULDS FAMILY A/C>	100,000,000	18.55%
2	ROLEN PTY LTD	85,000,000	15.77%
3	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	33,333,334	6.18%
4	LANTECH DEVELOPMENTS PTY LTD <DAC FAMILY A/C>	28,917,665	5.36%
5	ROLEN PTY LTD <LR A/C>	18,490,042	3.43%
6	STEVSAND INVESTMENTS PTY LTD <STEVEN FORMICA FAMILY A/C>	17,669,772	3.28%
7	CARLOWEN PTY LTD <CARLOWEN UNIT A/C>	13,333,333	2.47%
8	FCAT INVESTMENTS PTY LTD <FCAT SUPER A/C>	9,141,068	1.70%
9	COCO HOLDINGS LIMITED	6,666,667	1.24%
10	MR WAYNE MCGRATH	6,666,667	1.24%
11	SPASEVSKI HOLDINGS PTY LTD <SPASEVSKI HOLDINGS NO 2 A/C>	6,500,000	1.21%
12	MR GREGORY JOHN SHARPLESS & MRS JENNIFER LEE SHARPLESS <SHARPLESS INVESTMENT A/C>	5,021,000	0.93%
13	LANTECH DEVELOPMENTS PTY LTD <DAC FAMILY A/C>	5,000,000	0.93%
14	MR JOHN SERGIO CORREIA <JASHMEEKA A/C>	4,997,463	0.93%
15	MRS DIONNE CHERIE RYLE <BJM FAMILY A/C>	4,425,699	0.82%
16	SANDANA PTY LTD <ANASAND SUPER FUND A/C>	4,112,260	0.76%
17	LANTECH DEVELOPMENTS PTY LTD <DAC FAMILY A/C>	3,805,000	0.71%
18	NYREE ANNE CORREIA <THE EMMANUEL CORREIA A/C>	3,546,267	0.66%
19	MR ARIEL EDWARD KING	3,500,000	0.65%
20	WHIMPLECREEK PTY LTD <STAWELL FAMILY A/C>	3,450,000	0.64%
	Totals	**363,576,237**	**68.07%**
	Total Issued Capital	**539,102,168**	**100.00%**

3. Voting rights

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

Options and rights
No voting rights.

4. Substantial shareholders

The names of shareholders who have notified the Company in accordance with Section 671B of the *Corporations Act 2001* are:

Shareholder Name	No. of Ordinary Shares	Percentage %
Daryl Henthorn	38,917,665	7.23
Michael Foulds and Ross Graham	221,161,766	41.02

4. On-Market Buy Back

There is no current on-market buy back.

5. Unquoted Equity Securities

Options – 14 holders

Class	Number	Holders with more than 20%
Options over ordinary shares exercisable at $0.03 on or before 15 April 2021	9,452,055	- Lantech Developments <DAC Family A/C> (21.80%) - Stevsand Investments Pty Ltd <Steven Formica Family A/C> (21.74%)

6. Restricted securities

The Company has no restricted securities on issue.

INTERESTS IN MINING TENEMENTS HELD

Project	Tenement	Location	Ownership at the beginning of the year	Ownership at the end of the year	Acquired during the year	Disposed of during the year
Comet Vale Project	E29/927 L29/67 M29/35 M29/52 M29/85 M29/185 M29/186 M29/197 M29/198 M29/199 M29/200 M29/201 M29/232 M29/233 M29/235 M29/270 M29/321	Western Australia	51%	51%	-	-
Golden Lode Project	P30/1100 P30/1101 P30/1102 P30/1103 P30/1104 P30/1105 P30/1131	Western Australia	100%	100%	-	-
Happy Jack Project*	P29/2271	Western Australia	100%	100%	-	-
Penny's Find Project	M27/156 G27/01 L27/90 L27/91 L27/92 L27/93	Western Australia	100%	100%	-	-

*Expired post year end, on 18 July 2020.