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**PILBARA GOLD EXPLORATION PTY LTD**  
**(formerly Mansfield Resources Pty Ltd)**

**FINANCIAL REPORT FOR THE PERIOD 7 MAY**  
**2020 TO 30 JUNE 2020**

ABN: 48 640 777 233

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## **CORPORATE DIRECTORY**

<b>DIRECTOR:</b>	Mr George Merhi
<b>REGISTERED OFFICE:</b>	CM Accounting Services, Unit 4, 6 Glengarry Drive, Duncraig WA 6023
<b>PRINCIPAL OFFICE:</b>	224 Broome Street, Cottesloe WA 6011
<b>AUDITOR:</b>	William Buck

## **CONTENTS**

	<b>Page</b>
Director's Report	1
Auditor's Independence Declaration	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	20
Independent Auditor's Report	21

## DIRECTOR'S REPORT

The Sole Director of Pilbara Gold Exploration Pty Ltd presents his report on the Company ("Company" or "Pilbara Gold") for the period 7 May 2020 to 30 June 2020.

## DIRECTORS

The name and details of the Company's director in office at any time during, or since the end of, the financial period is:

### Current Directors

Mr George Merhi                      Director (appointed 7 May 2020)

Unless otherwise stated, Directors held their office from 7 May 2020 until the date of this report.

## PRINCIPAL ACTIVITIES

The principal activity of the Company during the period consisted of the exploration of the Pilbara Gold Project.

## OPERATING AND FINANCIAL REVIEW

### Operations

#### Pilbara Gold Project

The Company holds an interest in or the rights to seven exploration licences (three granted, four applications) known as the Pilbara Gold Project covering a total of 636km<sup>2</sup> located on the Sylvania Inlier in the south west of the prolific Pilbara region situated approximately 30km south of Newman and approximately 1,000km north-north east of Perth at the southern edge of the Hammersley area of Western Australia (Figure 1). The tenements are neighbouring Capricorn Metal Limited's ("Capricorn") Karlawinda Gold Project ("Karlawinda") and are along trend of gold bearing anomalies consistent with those at Karlawinda.

On 27 October 2020, the Company entered into a Combined Tenement and Share Purchase Agreement ("Agreement") with Redstone Metals Pty Ltd, Territory Prospecting Pty Ltd, North West Iron Pty Ltd and D&K Corps Investments Pty Ltd (Tenement Vendors), Mr George Merhi (Company Vendor) and Peregrine Gold Limited. The Tenement Vendors, Company Vendor and the Company, hold 100% of the Pilbara Gold Project, being a suite of tenements in the Pilbara region of Western Australia. In accordance with the Agreement, the Tenement Vendors and Company Vendor will transfer their remaining interests in the Pilbara Gold Project to the Company, which will be 100% acquired by Peregrine Gold Limited.

Peregrine Gold Limited will pay the Tenement Vendors and Company Vendor, 8,500,000 fully paid ordinary shares in Peregrine Gold Limited.

Tenement	Type	Status	Expiry	Area (km <sup>2</sup> )
E52/3783	Exploration Licence	Granted	25-Aug-25	165
E52/3875	Exploration Licence	Granted	4-Oct-25	15
E52/3876	Exploration Licence	Granted	24-Aug-25	21
E52/3826	Exploration Licence	Pending	-	132
E52/3828	Exploration Licence	Pending	-	54
E52/3841	Exploration Licence	Pending	-	210
E52/3850	Exploration Licence	Pending	-	39
Total				636

## DIRECTOR'S REPORT

(Continued)

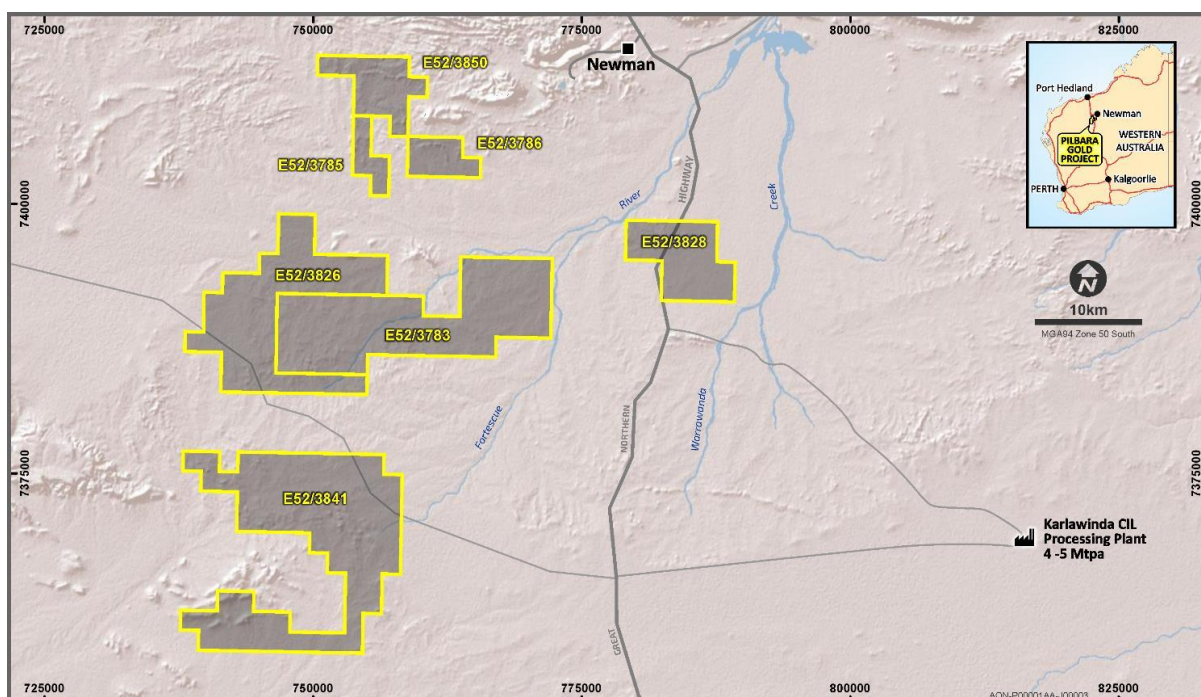


Figure 1: Location of Pilbara Gold Project tenements.

### Results of Operations

The net loss of the Company for the period 7 May 2020 to 30 June 2020 was \$6,441. This loss is predominately comprised of exploration and evaluation expenditure and is attributable to the Company's accounting policy of expensing exploration and evaluation expenditure (other than expenditures incurred in the acquisition of the rights to explore).

### Financial Position

As at 30 June 2020, the Company had a net current asset deficiency of \$6,440. At 30 June 2020, the Company had cash reserves of \$48,236 and related party borrowings of \$51,000. At 30 June 2020, the Company had net liabilities of \$6,440.

### Dividends

No dividends were paid or declared since the start of the financial period. No recommendation for payment of dividends has been made.

### Future Developments and Results

The objective of the Company is to create long-term shareholder value through the discovery, development and acquisition of technically and economically viable mineral deposits.

To date, the Company has not commenced production of any minerals, nor has it identified a Mineral Resource in accordance with the JORC Code. To achieve its objective, the Company currently has the following business strategy and prospect over the medium term; reconnaissance stream sediment sampling in conjunction with soil and rock chip sampling across all tenements and if warranted, shallow air-core drilling on known areas of mineralisation.

These activities are inherently risky and the Board is unable to provide certainty of the expected results of these activities, or that any or all of these likely developments will be achieved.

## DIRECTOR'S REPORT

(Continued)

### EARNINGS PER SHARE

7 May 2020 to 30 June 2020 \$	
Basic and diluted loss per share (\$ per share)	(6,441)

### ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve.

Instances of environmental non-compliance by an operation are identified either by external compliance audits or inspections by relevant government authorities. There have been no known breaches of environmental laws and regulations by the Company during the financial period.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the period ended 30 June 2020 not otherwise disclosed.

### SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 27 October 2020, the Company entered into a Combined Tenement and Share Purchase Agreement ("Agreement") with Redstone Metals Pty Ltd, Territory Prospecting Pty Ltd, North West Iron Pty Ltd and D&K Corps Investments Pty Ltd (Tenement Vendors), Mr George Merhi (Company Vendor) and Peregrine Gold Limited. The Tenement Vendors, Company Vendor and the Company, hold 100% of the Pilbara Gold Project, being a suite of tenements in the Pilbara region of Western Australia. In accordance with the Agreement, the Tenement Vendors and Company Vendor will transfer their remaining interests in the Pilbara Gold Project to the Company, which will be 100% acquired by Peregrine Gold Limited.

Peregrine Gold Limited will pay the Tenement Vendors and Company Vendor, 8,500,000 fully paid ordinary shares in Peregrine Gold Limited. In accordance with the terms of the Agreement, the loan balance to related parties that exists as at the completion date of the Agreement is to be forgiven.

As at the date of this report, other than the above, there are no matters or circumstances which have arisen since 30 June 2020 that have significantly affected or may significantly affect:

- the operations, in financial periods subsequent to 30 June 2020, of the Company;
- the results of those operations, in financial periods subsequent to 30 June 2020, of the Company; or
- the state of affairs, in financial periods subsequent to 30 June 2020, of the Company.

### SHARE OPTIONS

At the date of this report, no options have been issued by the Company over unissued capital.

During the period ended 30 June 2020 and up to the date of this report, no ordinary shares have been issued as a result of the exercise of options.

### DIRECTORS' INTERESTS

As at the date of this report, the 1 fully paid ordinary share in the Company is held by Mr George Merhi.

## DIRECTOR'S REPORT

(Continued)

### INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Constitution of the Company requires the Company, to the extent permitted by law, to indemnify any person who is or has been a director or officer of the Company for any liability caused as such a director or officer and any legal costs incurred by a director or officer in defending an action for any liability caused as such a director or officer.

During or since the end of the financial period, no amounts have been paid by the Company in relation to the above indemnities. During the financial period, no insurance premiums were paid by the Company to insure against a liability incurred by a person who is or has been a director or officer of the Company.

### TENEMENT SCHEDULE

Tenements and the rights to tenements held as at the date of the Directors' Report are listed in the table below:

Tenement	Type	Status	Expiry	Area (km <sup>2</sup> )
E52/3783	Exploration Licence	Granted	25-Aug-25	165
E52/3875	Exploration Licence	Granted	4-Oct-25	15
E52/3876	Exploration Licence	Granted	24-Aug-25	21
E52/3826	Exploration Licence	Pending	-	132
E52/3828	Exploration Licence	Pending	-	54
E52/3841	Exploration Licence	Pending	-	210
E52/3850	Exploration Licence	Pending	-	39
Total				<b>636</b>

### NON-AUDIT SERVICES

No non-audit services were provided by our auditors William Buck and related entities for the period year ended 30 June 2020.

### PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a part for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

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

### AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the period ended 30 June 2020 has been received and can be found on page 5 of the Directors' Report.

Signed in accordance with a resolution of the sole director.



**GEORGE MERHI**  
Director

20 January 2021

## AUDITOR'S INDEPENDENCE DECLARATION



### AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF PILBARA GOLD EXPLORATION PTY LTD

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

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

*William Buck*

William Buck Audit (WA) Pty Ltd  
ABN 67 125 012 014

*CM*

Conley Manifis  
Director

Dated this 20<sup>th</sup> day of January 2021

#### ACCOUNTANTS & ADVISORS

Level 3, 15 Labouchere Road  
South Perth WA 6151  
PO Box 748  
South Perth WA 6951  
Telephone: +61 8 6436 2888  
[williambuck.com](http://williambuck.com)

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(WB019\_2007)



**STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**  
FOR THE PERIOD 7 MAY TO 30 JUNE 2020

		7 May 2020 to 30 June 2020
	Notes	\$
<b>Continuing Operations</b>		
Exploration and evaluation expenses	2	(2,259)
Administration costs	3	(4,182)
<b>Loss before income tax</b>		<b>(6,441)</b>
Income tax expense		-
<b>Loss for the period</b>		<b>(6,441)</b>
<b>Loss attributable to members of Pilbara Gold Exploration Pty Ltd</b>		<b>(6,441)</b>
<b>Other comprehensive income, net of income tax:</b>		
<i>Items that will not be reclassified subsequently to profit or loss</i>		-
<i>Items that may be reclassified subsequently to profit or loss</i>		-
<b>Other comprehensive income for the period, net of tax</b>		-
<b>Total comprehensive loss for the period</b>		<b>(6,441)</b>
<b>Total comprehensive loss attributable to members of Pilbara Gold Exploration Pty Ltd</b>		<b>(6,441)</b>
Basic and diluted loss per share attributable to the ordinary equity holders of the company (\$ per share)	11	<b>(6,441)</b>

The accompanying notes form part of these financial statements.



**STATEMENT OF FINANCIAL POSITION**  
AS AT 30 JUNE 2020

	Notes	2020 \$
<b>ASSETS</b>		
Cash and cash equivalents	10	48,236
Prepaid tenement rents		994
<b>Total Current Assets</b>		<b>49,230</b>
<b>TOTAL ASSETS</b>		<b>49,230</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	5	4,670
Loans – Related Parties	6	51,000
<b>Total Current Liabilities</b>		<b>55,670</b>
<b>TOTAL LIABILITIES</b>		<b>55,670</b>
<b>NET LIABILITIES</b>		<b>(6,440)</b>
<b>EQUITY</b>		
Contributed equity	0	1
Accumulated losses	8	(6,441)
<b>TOTAL EQUITY</b>		<b>(6,440)</b>

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY**  
FOR THE PERIOD 7 MAY TO 30 JUNE 2020

	Contributed Equity \$	Accumulated Losses \$	Total Equity \$
<b>2020</b>			
<b>Balance at 7 May 2020</b>	-	-	-
Issued capital	1		1
Net loss for the period	-	(6,441)	(6,441)
<b>Total comprehensive income/(loss) for the period</b>	<b>1</b>	<b>(6,441)</b>	<b>(6,440)</b>
<b>Transactions with owners recorded directly in equity</b>	-	-	-
<b>Balance at 30 June 2020</b>	<b>1</b>	<b>(6,441)</b>	<b>(6,440)</b>

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS**  
FOR THE PERIOD 7 MAY TO 30 JUNE 2020

	7 May 2020 to 30 June 2020	
	Notes	\$
<b>Operating activities</b>		
Payments to suppliers		(2,765)
<b>Net cash flows used in operating activities</b>	10	<b>(2,765)</b>
<b>Financing activities</b>		
Share issue		1
Related party loans received		51,000
<b>Net cash flows from financing activities</b>		<b>51,001</b>
Net increase in cash and cash equivalents		48,236
Cash and cash equivalents at the beginning of the period		-
<b>Cash and cash equivalents at the end of the period</b>	10	<b>48,236</b>

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD 7 MAY TO 30 JUNE 2020

#### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparing the financial report of Pilbara Gold Exploration Pty Ltd ("Pilbara Gold" or the "Company") for the period 7 May 2020 (date of incorporation) to 30 June 2020 are stated to assist in a general understanding of the financial report. Pilbara Gold Exploration Pty Ltd is a proprietary company limited by shares, incorporated and domiciled in Australia. The financial report of the Company for the period 7 May 2020 to 30 June 2020 was authorised for issue in accordance with a resolution of the Sole Director on 20 January 2021.

##### (a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASBs") and interpretations adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. The financial statements comprise the financial statements of the Company. For the purposes of preparing the financial statements, the Company is a for-profit entity. The financial report has also been prepared on a historical cost basis. The financial report is presented in Australian dollars. For the purposes of preparing financial statements under Australia Accounting Standards, Pilbara Gold Exploration Pty Ltd is a for-profit entity.

##### (b) Going Concern

The financial statements have been prepared on a going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. As at 30 June 2020, the Company has a working capital deficiency of \$6,440 predominately due to a related party loan of \$51,000. In accordance with the terms of the Combined Tenement and Share Purchase Agreement whereby Peregrine Gold Limited will acquire all the issued capital in the Company, the loan balance to related parties that exists as at the completion date of the Agreement is to be forgiven.

##### (c) Statement of Compliance

In the current period, the Company has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. New and revised standards and amendments thereof and interpretations effective for the current reporting period that are relevant to the Company include:

- AASB 16 *Leases*
- *Interpretation 23 Uncertainty over Income Tax Treatments*
- AASB 2018-1 *Amendments – Annual Improvements 2015-2017 Cycle*
- AASB 2018-2 *Amendments – Plan Amendment, Curtailment or Settlement (AASB 119)*

The adoption of the aforementioned standards have resulted in no impact on the financial statements of the Company for the period ended 30 June 2020.

##### (d) Accounting standards issued but not yet effective and not been adopted early by the Company

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Company for the reporting period ended 30 June 2020. Those which may be relevant to the Company are set out in the following table, but these are not expected to have any significant impact on the Company's financial statements.

Standard/Interpretation	Application Date of Standard	Application Date for Group
AASB 2018-6 <i>Amendments to Australian Accounting Standards – Definition of a Business</i>	1 January 2020	1 July 2020
AASB 2018-7 <i>Amendments to Australian Accounting Standards – Definition of Material</i>	1 January 2020	1 July 2020
<i>Conceptual Framework</i>	1 January 2020	1 July 2020
2019-1 <i>Amendments to Australian Accounting Standards – References to the Conceptual Framework</i>	1 January 2020	1 July 2020
AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	1 January 2022	1 July 2022

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE PERIOD 7 MAY TO 30 JUNE 2020  
(Continued)

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(e) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

**(f) Exploration and Evaluation Expenditure**

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method.

Exploration and evaluation expenditure encompasses expenditures incurred by the Company in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

For each area of interest, expenditure incurred in the acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition and are recorded as an asset if:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
  - the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
  - exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation expenditure incurred by the Company subsequent to the acquisition of the rights to explore is expensed as incurred, up until the technical feasibility and commercial viability of the project has been demonstrated with a bankable feasibility study.

Capitalised exploration costs are reviewed at each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous periods.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

**(g) Payables**

Liabilities are recognised for amounts to be paid in the future for goods and services received. Trade accounts payable are normally settled within 60 days.

**(h) Income Tax**

The income tax expense for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE PERIOD 7 MAY TO 30 JUNE 2020**

(Continued)

differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose on goodwill or in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against tax liabilities and the deferred tax liabilities relate to the same taxable entity and the same taxation authority.

#### **(i) Use and Revision of Accounting Estimates**

The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described Note 1(l).

#### **(j) Fair Value Estimation**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, trading securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

#### **(k) Issued Capital**

Ordinary Shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company. 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.

#### **(l) Significant judgements and key assumptions**

The Sole Director evaluates estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 7 MAY TO 30 JUNE 2020**  
(Continued)

(i) *Key judgements*

The Company's accounting policy for exploration and evaluation assets is set out at Note 1(f). The application of this policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves have been found. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, the Group concludes that it is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to the statement of comprehensive income. Subsequent to the acquisition costs capitalised, no exploration expenditure is currently being capitalised.

**2. EXPLORATION & EVALUATION EXPENSES**

	7 May 2020 to 30 June 2020
	\$
Application Fees	1,737
Legal Fees	522
	<b>2,259</b>

**3. ADMINISTRATION EXPENSES**

	7 May 2020 to 30 June 2020
	\$
Accounting and Auditing Fees	4,182
	<b>4,182</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE PERIOD 7 MAY TO 30 JUNE 2020  
(Continued)

**4. INCOME TAX**

	2019 \$
<b>(a) Recognised in the Statement of Comprehensive Income</b>	
<b>Deferred income tax</b>	
Origination and reversal of temporary differences	(1,932)
Deferred tax assets not brought to account	1,932
<b>Income tax expense reported in the statement of comprehensive income</b>	-
<b>(b) Reconciliation Between Tax Expense and Accounting Loss Before Income Tax</b>	
Accounting loss before income tax	(6,441)
At the domestic income tax rate of 30%	(1,932)
Deferred tax assets not brought to account	1,932
<b>Income tax expense attributable to loss</b>	-
<b>(c) Deferred Tax Assets and Liabilities</b>	
Deferred income tax at 30 June relates to the following:	
<b>Deferred Tax Liabilities</b>	
Prepaid tenement rents	298
Deferred tax assets used to offset deferred tax liabilities	(298)
	-
<b>Deferred Tax Assets</b>	
Accrued expenditure	900
Tax losses available to offset against future taxable income	1,330
Deferred tax assets used to offset deferred tax liabilities	(298)
Deferred tax assets not brought to account	(1,932)
	-

The benefit of deferred tax assets not brought to account will only be brought to account 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 legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Company in realising the benefit.

**5. TRADE AND OTHER PAYABLES**

	2020 \$
Accounts payable	751
Accruals	3,919
	<b>4,670</b>



**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE PERIOD 7 MAY TO 30 JUNE 2020  
(Continued)

**6. RELATED PARTY LOAN**

	2020 \$
Loans – Related parties	51,000
	<b>51,000</b>

The related party loan of \$51,000 has been provided by the Company's sole director, Mr George Merhi. The loan is unsecured, interest free with no set repayment date. In accordance with the terms of the Combined Tenement and Share Purchase Agreement whereby Peregrine Gold Limited will acquire all the issued capital in the Company, the loan balance to related parties that exists as at the completion date of the Agreement is to be forgiven.

**7. CONTRIBUTED EQUITY**

	2020 \$
<b>(a) Issued Capital</b>	
1 Fully Paid Ordinary Share	1
	<b>1</b>

The Company does not have a limited amount of authorised capital and issued shares do not have a par value.

**(b) Rights Attaching to Ordinary Shares**

The rights attaching to fully paid ordinary shares ("**Ordinary Shares**") arise from a combination of the Company's Constitution, statute and general law.

Copies of the Company's Constitution are available for inspection during business hours at the Company's registered office. The clauses of the Constitution contain the internal rules of the Company and define matters such as the rights, duties and powers of its shareholders and directors, including provisions to the following effect (when read in conjunction with the Corporations Act 2001 or Listing Rules).

*(i) Shares*

The issue of shares in the capital of the Company and options over unissued shares by the Company is under the control of the directors, subject to the Corporations Act 2001 and any rights attached to any special class of shares.

*(ii) Voting*

Subject to any rights or restrictions at the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representative more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents. On a poll each eligible member has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

*(iii) Changes to the Constitution*

The Company's Constitution can only be amended by a special resolution passed by at least three quarters of the members present and voting at a general meeting of the Company. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

**8. ACCUMULATED LOSSES**

	2020 \$
Balance 7 May 2020	-
Net loss for the period	(6,441)
Balance at 30 June	<b>(6,441)</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE PERIOD 7 MAY TO 30 JUNE 2020  
(Continued)

**9. AUDITOR'S REMUNERATION**

	2020 \$
Amounts received or due and receivable by William Buck for:	
• an audit or review of the financial report of the Company	3,000
• other services in relation to the Company	-
	<b>3,000</b>

**10. STATEMENT OF CASH FLOWS RECONCILIATION**

	7 May 2020 to 30 June 2020 \$
<b>(a) Reconciliation of the Net Loss After Tax to the Net Cash Flows from Operations</b>	
Loss for the period	(6,441)
<b>Adjustment for non-cash income and expense items</b>	-
<b>Change in operating assets and liabilities</b>	
(Increase) in prepaid rents	(994)
Increase in trade and other payables	4,670
<b>Net cash outflow from operating activities</b>	<b>(2,765)</b>
<b>(b) Reconciliation of Cash</b>	
Cash at bank and on hand	48,236
<b>Balance at 30 June</b>	<b>48,236</b>

**(c) Non-cash financing and investing activities**

There were no non-cash financing or investing activities during the year ended 30 June 2020.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE PERIOD 7 MAY TO 30 JUNE 2020  
(Continued)

**11. EARNINGS PER SHARE**

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

	7 May 2020 to 30 June 2020 \$
Basic and diluted loss per share (\$ per share)	(6,441)
	<b>(6,441)</b>

	7 May 2020 to 30 June 2020 \$
Net loss attributable to members of the parent used in calculating basic and diluted earnings per share:	(6,441)
Earnings used in calculating basic and dilutive earnings per share	<b>(6,441)</b>

	Number of Ordinary Shares 2020
Weighted average number of Ordinary Shares used in calculating basic and dilutive earnings per share	1

**(a) Non-Dilutive Securities**

As at reporting date, there were no securities on issue that were considered non-dilutive.

**(b) Conversions, Calls, Subscriptions or Issues after 30 June 2020**

Other than stated above, there were no other conversions to, calls of, or subscriptions for Ordinary Shares or issues of potential Ordinary Shares since the reporting date and before the completion of this financial report.

**12. RELATED PARTIES**

Transactions with Key Management Personnel are included at Note 13. There are no other related parties of the Company.

**13. KEY MANAGEMENT PERSONNEL**

**(a) Details of Key Management Personnel**

The KMP of the Company are as follows:

**Current Director**

Mr George Merhi

Unless otherwise disclosed, KMP held their position from 7 May 2020 until 30 June 2020.

**(b) Remuneration of Key Management Personnel**

There was no remuneration provided to KMP during the period 7 May 2020 to 30 June 2020.

**(c) Loans from Key Management Personnel**

During the period ended 30 June 2020, Mr George Merhi (Sole Director) provided a loan of \$51,000 to the Company. The loan is unsecured, interest free with no set repayment date. In accordance with the terms of the Combined Tenement and Share Purchase Agreement whereby Peregrine Gold Limited will acquire all the issued capital in the Company, the loan balance to related parties that exists as at the completion date of the Agreement is to be forgiven.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE PERIOD 7 MAY TO 30 JUNE 2020  
(Continued)

**14. SEGMENT INFORMATION**

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Company operates in one segment, being exploration for mineral resources and in one geographical location being Australia. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Company.

**15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

**Overview**

The Company's principal financial instruments comprise cash and cash equivalents, trade and other receivables and trade and other payables. The main risks arising from the Company's financial instruments are liquidity risk, interest rate risk and credit risk.

This note presents information about the Company's exposure to the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Other than as disclosed, there have been no significant changes since the previous financial year to the exposure or management of these risks.

**(a) Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Company will always have sufficient liquidity to meet its liabilities when due.

The contractual maturities of financial liabilities, including estimated interest payments, are provided below. There are no netting arrangements in respect of financial liabilities.

2020	≤6 Months A\$	6-12 Months A\$	1-5 Years A\$	≥5 Years A\$	Total A\$
<b>Financial Liabilities</b>					
Trade and other payables	4,670	-	-	-	4,670
	<b>4,670</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,670</b>

**(b) Capital Management**

The Company manages its capital to ensure that it will be able to continue as a going concern while financing the development of its projects through primarily equity based financing.

The Company is not subject to externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the year.

**(c) Fair Value**

The net fair value of financial assets and financial liabilities approximates their carrying value as at 30 June 2020.

**(d) Interest Rate Risk**

The Company's exposure to the risk of changes in market interest rates relates primarily to the cash and short-term deposits with a floating interest rate.

These financial assets with variable rates expose the Company to cash flow interest rate risk. All other financial assets and liabilities, in the form of receivables and payables are non-interest bearing.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE PERIOD 7 MAY TO 30 JUNE 2020  
(Continued)

**(e) Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents and trade and other receivables.

There are no significant concentrations of credit risk within the Company. The carrying amount of the Company's financial assets represents the maximum credit risk exposure, as represented below:

	2020 \$
<b>Financial assets</b>	
Cash and cash equivalents	48,236
Prepaid tenement rents	994
	<b>49,230</b>

The Company does not have any customers and accordingly does not have any significant exposure to credit losses.

**16. COMMITMENTS**

As a condition of retaining the current rights to tenure to exploration tenements, the Company is required to pay an annual rental charge and meet minimum expenditure requirements for each tenement. These obligations are not provided for in the financial statements and are at the sole discretion of the Company. The Company's tenements are currently in the application phase and as such, there is currently no requirement to meet expenditure.

**17. CONTINGENT ASSETS AND LIABILITIES**

As at the date of this report, no contingent assets or liabilities had been identified as at 30 June 2020.

**18. EVENTS SUBSEQUENT TO BALANCE DATE**

On 27 October 2020, the Company entered into a Combined Tenement and Share Purchase Agreement ("Agreement") with Redstone Metals Pty Ltd, Territory Prospecting Pty Ltd, North West Iron Pty Ltd and D&K Corps Investments Pty Ltd (Tenement Vendors), Mr George Merhi (Company Vendor) and Peregrine Gold Limited. The Tenement Vendors, Company Vendor and the Company, hold 100% of the Pilbara Gold Project, being a suite of tenements in the Pilbara region of Western Australia. In accordance with the Agreement, the Tenement Vendors and Company Vendor will transfer their remaining interests in the Pilbara Gold Project to the Company, which will be 100% acquired by Peregrine Gold Limited.

Peregrine Gold Limited will pay the Tenement Vendors and Company Vendor, 8,500,000 fully paid ordinary shares in Peregrine Gold Limited. In accordance with the terms of the Agreement, the loan balance to related parties that exists as at the completion date of the Agreement is to be forgiven.

As at the date of this report, other than the above, there are no matters or circumstances which have arisen since 30 June 2020 that have significantly affected or may significantly affect:

- the operations, in financial periods subsequent to 30 June 2020, of the Company;
- the results of those operations, in financial periods subsequent to 30 June 2020, of the Company; or
- the state of affairs, in financial periods subsequent to 30 June 2020, of the Company.

## DIRECTOR'S DECLARATION

This declaration is made in accordance with a resolution of the Sole Director:

The Sole Director declares:

- a) the attached financial statements, notes and the additional disclosures included in the directors' report designated as audited, are in accordance with the Corporations Act 2001, including:
  - (i) section 296 (compliance with accounting standards and Corporations Regulations 2001); and
  - (ii) section 297 (gives a true and fair view of the financial position as at 30 June 2020 and of the performance for the period ended on that date of the Company);
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- c) The attached financial statements and notes thereto are in compliance with International Financial Reporting Standards, as stated in Note 1 to the financial statements.



**GEORGE MERHI**  
Director

20 January 2021

## INDEPENDENT AUDITOR'S REPORT



### Pilbara Gold Exploration Pty Ltd

#### Independent auditor's report to members

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Pilbara Gold Exploration Pty Ltd (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the period 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 are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the period ended 30 June 2020, but does not include the financial report and the 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.

#### ACCOUNTANTS & ADVISORS

Level 3, 15 Labouchere Road  
South Perth WA 6151  
PO Box 748  
South Perth WA 6951  
Telephone: +61 8 6436 2888  
[williambuck.com](http://williambuck.com)

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(WB019\_2007)





## INDEPENDENT AUDITOR'S REPORT (Continued)



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.

### **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 Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or 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 these financial statements is located at the Auditing and Assurance Standards Board website at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our independent auditor's report.

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

A handwritten signature in dark ink that reads "William Buck".

**William Buck Audit (WA) Pty Ltd**  
ABN 67 125 012 124

A handwritten signature in dark ink that reads "CM".

**Conley Manifis**  
Director  
Dated this 20<sup>th</sup> January 2021