COUGAR METALS NL
AND CONTROLLED ENTITIES

ABN 27 100 684 053

CONSOLIDATED ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

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Directors
Randal Swick
David Symons
Scott Reid (Appointed 1 August 2019)
Brian Thomas (Resigned 1 August 2019)

Company Secretary
Ben Donovan

Registered Office
Ground Floor, 16 Ord Street
West Perth, Western Australia 6005

Auditors
Bentleys Audit & Corporate (WA) Pty Ltd.
Level 3, London House
216 St Georges Tce
West Perth, Western Australia 6000

Home Securities Exchange
ASX Limited
Exchange Plaza
2 The Esplanade
Perth, Western Australia 6000

ASX Code: CGM

Share Registry
Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross, Western Australia 6153
Telephone: +61 8 9315 2333
Facsimile: +61 8 9315 2233

Website
www.cgm.com.au

Your Directors present their report on Cougar Metals NL (the "Company") and its controlled entities (together referred to as the "Group") for the financial year ended 30 June 2019.

DIRECTORS

Directors have been in office since the start of the financial year and up to the date of this report unless otherwise stated. Directors of the Company in office and at any time during, or since the end of the financial year are:

Randal Swick	Executive Chairman
David Symons	Non-Executive Director
Brian Thomas	Non-Executive Director (Resigned 1 August 2019)
Scott Reid	Non-Executive Director (Appointed 1 August 2019)

COMPANY SECRETARY

Brett Tucker was appointed Company Secretary on 14 June 2017 and resigned on the 31 January 2019. Mr Tucker holds a Bachelor of Commerce, Accounting and Finance degree from the University of Western Australia and a Graduate Diploma of Chartered Accounting from the Institute of Chartered Accountants in Australia.

Ben Donovan was appointed Company Secretary on the 31 January 2019. Mr Donovan is currently sits as Company Secretary of several ASX listed and public unlisted companies and has extensive experience in listing rules compliance and corporate governance, having served as a Senior Advisor at the Australian Securities Exchange in Perth, as well as being a member of the ASX JORC Committee.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the course of the financial year were:

ii) Geological review of the Pyke Hill Nickel-Cobalt laterite deposit to upgrade the existing resource to JORC 2012 standards and continuing assessment of development options for the project;

iii) Preliminary geological assessment of the Plateado Cobalt Project in Chile and the Ceara Lithium Project in Brazil;

iv) Ongoing arbitration regarding the Vohitsara graphite project following a dispute with the Company's joint venture partner DNI Metals Inc ("DNI"); and

v) Finalisation of arbitration proceedings with Kenora Prospectors & Miners ("KPM") over the KPM property in the Shoal Lake Region of Ontario, Canada.

OPERATING RESULTS

The Statement of Profit or Loss and Other Comprehensive Income shows a net loss from ordinary activities after tax attributable to the members of the Group for the year ended 30 June 2019 of $2,083,159 (2018: $3,426,045). The net asset deficiency of the Group as at 30 June 2019 was $8,207,976 (2018: $6,445,812).

DIVIDENDS PAID OR RECOMMENDED

The Directors recommend that no dividend be paid for the year ended 30 June 2019. No amounts have been paid or declared by way of dividend since the end of the previous financial year.

REVIEW OF OPERATIONS

Toamasina / Vohitsara Graphite Project (Madagascar)
As announced to the ASX on 11 December 2017, Cougar served a Notice of Arbitrate upon the projects vendor, DNI noting a series of alleged breaches of the Agreement. Subsequently, the parties agreed to Mr William Horton being appointed as the sole arbitrator in the proceedings.

On 25 September 2018, and as announced to the ASX, the Company reached a settlement of the arbitration with DNI. The settlement provides for payment to Cougar by DNI of CAD$2,500,000, payable in eight quarterly instalments, six of which will be in the amount of CAD$250,000 and two of which will be in the amount of CAD$500,000. The instalments shall commence starting 6 months from the settlement date, or 14 days after DNI's next successful financing.

The settlement also provides for payment of an accelerated amount of up to CAD$1,000,000 in the event of a sale of the Vohitsara property.

The parties have agreed to settle all other matters between them, including a claim in the Ontario Superior Court brought against DNI by two employees of Cougar, and have agreed on mutual releases of all claims, which shall take effect on the completion of the settlement.

On 26 April 2019, the Company announced the receipt of the first tranche of CAD$250,000 as part of the settlement process, following the issue of a default notice to DNI on 27 March 2019. As at date of report, CAD$2,250,000 remains to be received as part of the settlement.

Ceara Lithium Project (Brazil)
On 3 August 2016, the Company entered into a Letter of Intent with MMH Capital Ltd (MMH) to acquire an 85% interest in MMH's Ceara Lithium Project located in Ceara state, in north-eastern Brazil. The project comprises 30 applications covering approximately 51,000 hectares across two separate areas lying in excess of 150 kilometres apart, being: (i) an area covering the historical lithium mining centre at Solonopole, and (ii) an area encompassing a pegmatite swarm at Cristais.

Cougar's exploration geologist has been based in Solonopole since mid-May 2018 conducting mapping, sampling and general reconnaissance activities to systematically assess the large tenement package.

The Company announced the initial program results from 62 grab samples and 242 soil samples in October 2018, identifying high-grade lithium from grab samples in 6 of the 10 prospects. Further, field mapping identified a total of 10 small scale historical lithium mines.

On 15 January 2018, Cougar announced the results of a further 71 grab samples and 35 soil samples which were collected over an area of approximately 5km^2 and which returned several high-grade results. In 2018, a soil sampling program, on a 400m by 400m grid, was completed for a total of 965 samples which are currently being analysed by SGS Geosol Laboratórios Ltda in Belo Horizonte, Brazil. This brings the total samples taken to date to 2248 samples. Following the receipt of results anomalous areas will then be further sampled to generate drill ready targets.

In February 2019, Cougar and MMH varied the MoU to include the following terms:

1. Cougar shall retain a 40% interest in the project, to be vested into a special purpose entity (NewCo) to hold the Project;
2. NewCo will now carry out all exploration work on behalf of the parties, with each party making contributions in proportion to their interest;
3. Both parties have the right to appoint management pro-rata to their respective interests;
4. No shares in Cougar shall be issued to MMH;
5. No cash payment shall be made to MMH;

REVIEW OF OPERATIONS (CONTINUED)

6. Normal industry standard default provisions apply;
7. Cougar retains an obligation to complete a further 1500 soil samples and finalise a NI43-101 report by 30 September 2019; and
8. Both parties have a first right of refusal if the other party decides to sell their interest.

Field work at the project is currently on hold due to the finances of the Company. The Board believes the revised amendment announced in February 2019 is in the best interests of shareholders as the Company preserves cash and focusses on its Australian asset.

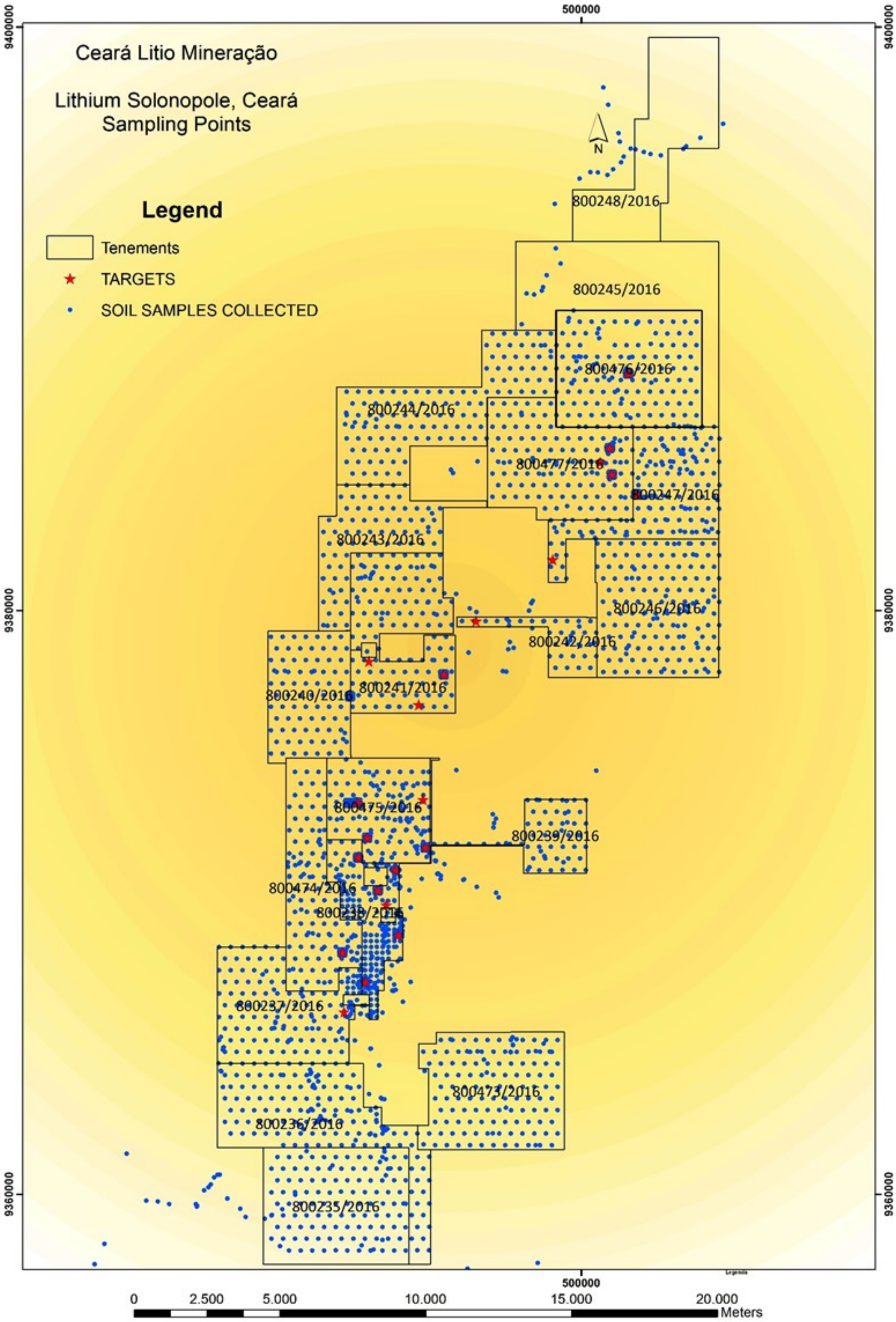

Figure 1: Tenement map of Brazil lithium project showing areas of initial focus with 10 priority areas

REVIEW OF OPERATIONS (CONTINUED)

Plateado Cobalt Project (Chile)
Cougar signed a Letter of Intent ("LOI") with Antasitua Chile SPA ("Antasitua" or "ACS") on 7 February 2018, to acquire a 100% interest in the Plateado Cobalt Project in Chile, which contains a small scale historical cobalt mine located 130km north-west of the capital, Santiago.

The Plateado Project comprises 12 contiguous granted tenements, listed as Plateado 1 to 12 in the name of Antasitua Chile SPA, covering an area of 36km^2 in the province of Petorca, Chile.

In April 2019, Cougar advised it had withdrawn from the project.

Shoal Lake Gold Project (Canada)
In 2015, Cougar's 100% owned subsidiary, Tycoon Gold Resources Inc ("Tycoon") initiated arbitration proceedings against KPM relating to the conduct of KPM and alleged breaches of certain representations and warranties made by KPM under the option agreement. In 2016, the results of the arbitration initiated by Tycoon, in relation to the Shoal Lake East Gold Project were handed down with Tycoon succeeding on all major matters raised in the arbitration proceedings. The arbitrator awarded Tycoon costs totalling CAD$297,165 on an indemnity basis and ordered KPM to comply with various orders.

Following the failure of KPM to comply with the arbitrator's auditors, a damages hearing was conducted in Toronto Canada in June 2018. Total damages of CAD$1.75 million was awarded to Cougar against KPM in November 2018.

In January 2019, a final award including damages, costs and interest was handed down totalling CAD$2.514 million. As KPM does not have sufficient cash to meet any payment of the award, Cougar is currently taking steps to have the award enforced. This may entail the forced sale of KPM's Shoal Lake East Gold Project in the absence of an alternative arrangement.

Pyke Hill Project (Western Australia)
The Pyke Hill Nickel/Cobalt project lies 40km south of Murrin Murrin Nickel Operations, east of the Murrin East Project area and immediately north of the current Murrin East mining operations. The deposit has a strike length of 2,100m and is up to 450m wide and attains a maximum depth of 60m below surface and sits entirely within the granted mining lease M39/159 held jointly by Pyke Hill Resources Pty Ltd and Richore Pty Ltd. A haul road traverses the tenement, adjacent to the delineated resource.

An updated JORC 2012 compliant mineral resource estimate was released on ASX on the 11 September 2018 for the Pyke Hill Nickel-Cobalt laterite deposit. A nickel envelope was interpreted using a 0.8% Ni cut-off which provided a largely continuous horizon, typically 25m to 30m in thickness. A distinct zone of cobalt enrichment is also present in the deposit. A cobalt envelope was interpreted using a 0.08% Co cut-off which defined a largely continuous close to surface blanket of mineralisation typically 10m to 20m in thickness.

REVIEW OF OPERATIONS (CONTINUED)

Co Domain	Class	Tonnes Mt	Ni %	Co %	Ni Metal Tonnes	Co Metal Tonnes
High Co	Measured	1.9	0.94	0.13	17,900	2,500
>0.08% Co	Indicated	3.0	0.94	0.14	28,600	4,300
	Sub Total	**5.0**	**0.94**	**0.14**	**46,500**	**6,800**
Low Co	Measured	2.3	1.05	0.04	23,800	900
>0.8% Ni, <0.08% Co	Indicated	3.2	1.02	0.04	32,600	1,200
	Sub Total	**5.5**	**1.03**	**0.04**	**56,500**	**2,100**
Total	Measured	4.2	1.00	0.08	41,800	3,400
>0.8% Ni or >0.08% Co	Indicated	6.3	0.98	0.09	61,500	5,500
	Total	**10.5**	**0.99**	**0.08**	**103,300**	**8,900**

Table 1: Pyke Hill June 2018 Mineral Resource (>0.8% Ni or > 0.08% Co)
(Rounding discrepancies may occur in summary tables)

Cougar believes that this resource will provide significant economic benefits with its proximity to the Murrin Murrin Nickel Operations. The majority of the cobalt-rich blanket occurs within the upper part of the nickel envelope however in places it extends above the nickel envelope.

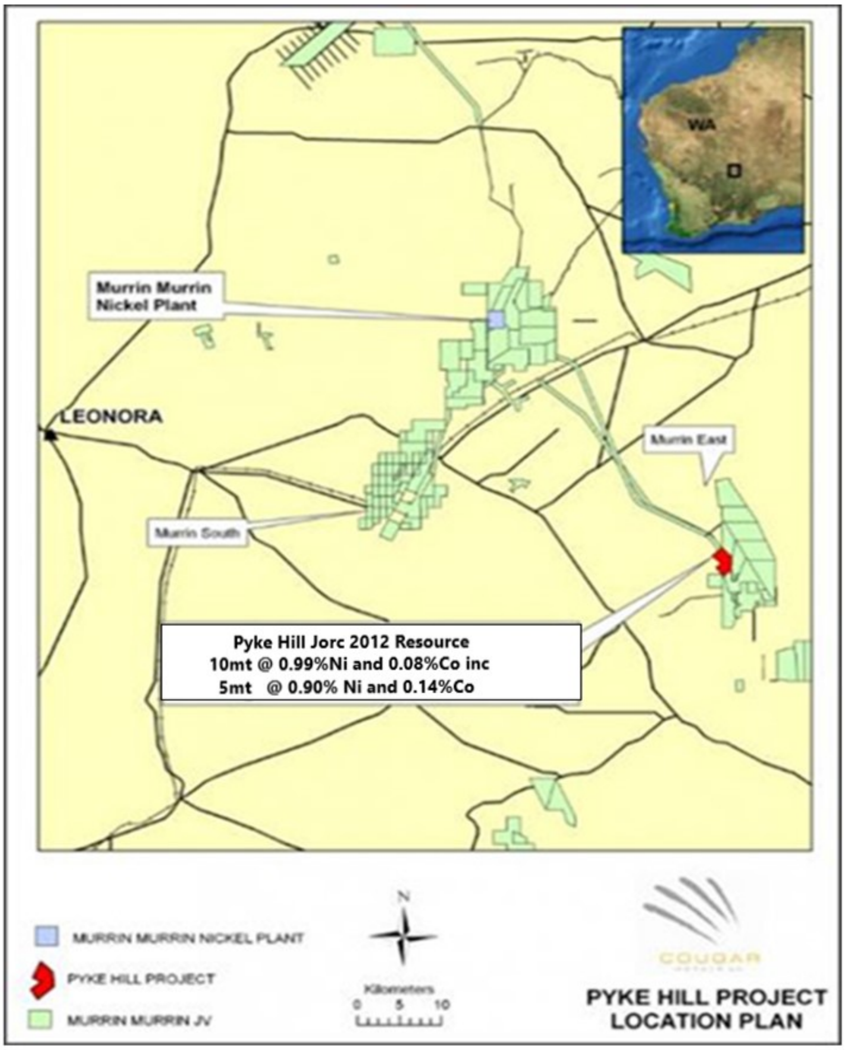

Figure 2: Location Map for the Pyke Hill Project

REVIEW OF OPERATIONS (CONTINUED)

Cougar remains in a dispute with Richore Pty Ltd (Richore) regarding ownership of the tenement. Richore purchased a 50% interest in tenement M39/159 from the liquidators of Richfile Pty Ltd (Richfile). Richfile held a 50% equitable interest in the tenement, with the legal ownership residing with Pyke Hill Resources Pty Ltd. Richfile Pty Ltd was in liquidation and under the control of liquidators at the time of Cougar's Pyke Hill 2004 option agreement, for the nickel and cobalt rights, with the owners of M39/159

Over the course of several years Richore Pty Ltd has claimed that Cougar did not acquire any of Richfile's interest in the nickel and cobalt rights, yet repeatedly failed to make any formal legal challenge to Cougar's position.

Instead, Richore engaged a series of legal advisors to initially present their case, and then fall silent when presented with the facts in a counter argument. Richore has now brought a plaint before the Western Australian Mining Warden seeking the removal of a caveat over Richore's 50% interest in the tenement allowing Richore's claims to be formally tested.

Cougar is defending its position and will present evidence to the Warden that Richore Pty Ltd is bound to the original Option Agreement, through the consent of Richfile's liquidator, and Richore's subsequently purchased the 50% interest in M39/159 whilst being fully aware of the terms of the Option Agreement. As such Cougar views Richore's claim to be without merit. The case if likely to be before the Warden's court in the coming months.

Contract Drilling Business
The Company made the decision to cease contract drilling operations during the year as a result of poor exploration and economic conditions in Brazil, which has allowed the Company to focus on developing its mineral exploration portfolio. The Company is currently exploring its options to divest its drilling business in an effort to reduce unnecessary holding costs.

CORPORATE EVENTS

- On 23 August 2018, the Company held a General Meeting of Shareholders and all resolutions that were put to the meeting were passed on a show of hands.
- On 30 August 2018, the second convertible security with Australian Special Opportunity Fund LP managed by Lind Partners LLC ("Lind") with a face value of $600,000 and a term of 7 June 2020 was issued. The security is convertible into a maximum of 120 million fully paid ordinary shares.
- On 10 October 2018, 20 million fully paid ordinary shares at a deemed issue price of $0.0025 per share were issued in lieu of $50,000 already provided.
- On 26 November 2018, the Company held its Annual General Meeting of Shareholders and all resolutions that were put to the meeting were passed on a show of hands.
- On the 3 January 2019, 25 million fully paid ordinary shares were issued to Lind at a deemed issue price of $0.002 to defer any convertible note conversion until at least 31 March 2019.
- On the 31 January 2019, Mr Brett Tucker resigned as CFO and Company Secretary of the Company, with Mr Ben Donovan being appointed as Company Secretary.
- On 11 February 2019, the Company announced a non-renounceable entitlement issue to raise up to approximately $1.96 million for exploration expenditure and working capital. For every 1 share held by eligible shareholders, 1 new share issued at an issue price of $0.002 per share; together with 1 free option for every 2 new shares issued, with an option exercisable at $0.01 per option on or before 31 March 2022.
- On 11 March 2019, a total of 87,669,481 shares were subscribed for by existing shareholders and 43,834,752 options exercisable at $0.01 per option on or before 31 March 2022 were issued, raising approximately $175,339.
- On 10 April 2019, 55,555,556 shares were issued upon conversion of convertible notes at $0.0009 per share, totalling $50,000.

- On 13 May 2019, 55,555,556 shares were issued upon conversion of convertible notes at $0.0009 per share, totalling $50,000.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The focus of the Group in the immediate future is to:

- Investigate opportunities to develop, sell, partner, or joint venture the Pyke Hill Nickel / Cobalt Resource at the Pyke Hill Project in Australia;
- Continue exploration at the Ceara Lithium project in Brazil;
- Continue the disposal of the Company's Brazilian drilling assets; and
- To continue arbitration with a view to settlement of judgements to the Company at the Vohitsara Graphite project, Madagascar with DNI Metals Inc; and at the Shoal Lake Gold Project, Canada with Kenora Prospectors and Miners Limited.

EVENTS AFTER BALANCE DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years except as stated below.

On 1 July 2019, the Company announced the expiry of 10,000,000 unlisted options exercisable at $0.017 on or before 30 June 2019.

On 25 July 2019, the Company received a conversion request from Lind to convert 55,555,555 shares in the Company. The Board elected not to convert the shares in order to reduce further dilution to shareholders while it seeks alternative funding options. Subsequently, the Company has been issued with a default notice from Lind to repay the outstanding debt ($810,000) plus interest within 60 business days. On 5 February 2020, ASOF issued a Creditors Statutory Demand for Payment in the amount of $886K. Subsequently, on 4 June 2020, ASOF applied to the Federal Court of Australia to have the Company wound up in liquidation. On 8 September 2020, ASOF withdrew their application to wind up the Company.

On 1 August 2019, Mr Scott Reid was appointed as non-executive director upon resignation of Mr Brian Thomas. On 10 December 2019, the Company announced that the arbitration award found that Cougar had in fact breached the Settlement Agreement by making disparaging remarks to a DNI shareholder regarding DNI's management, but the arbitrator found that DNI had not proven nor suffered any damages. DNI was ordered to pay Cougar CAD 4250 and the award also directed that the payment of CAD 250,000 from DNI to Cougar, due on July 2019 to default, was due and payable on December 7, 2019.

On 1 October 2019, the Company was delisted from the Australian Securities Exchange.

On 30 June 2020, the Board of Directors appointed Bryan Hughes and Daniel Bredenkamp of Pitcher Partners as Joint and Several Administrators of the Company pursuant to section 436A of the Corporations Act 2001.
On 10 July 2020, the first meeting of creditors of the Company was held pursuant to section 436E of the Corporations Act 2001. At the meeting, creditors ratified the appointment of the Administrator. Creditors also elected not to appoint a Committee of Inspection to the Company.

On 3 August 2020, the second meeting of creditors was held. At the meeting, creditors resolved that the Company execute a Holding Deed of Company Arrangement (Holding DOCA).

On 24 August 2020, the Company announced that following a resolution passed by creditors at the second meeting of creditors, the Company executed a Holding Deed of Company Arrangement (Holding DOCA) on 20 August 2020 and Bryan Hughes and Daniel Bredenkamp were appointed Joint and Several Deed Administrators of the Company on the same day.

Subsequent to 30 June 2020, the Company sold three drilling rigs receiving a total of $283,800.

In 2004, the Company entered into an option agreement with Greater Australia Gold Pty Ltd (now Pyke Hill Resources Pty Ltd) to acquire the nickel and cobalt rights of the Pyke Hill Project. At the time, Richfile Pty Ltd (In Liquidation) (Richfile) was entitled to a 50% equitable interest in the Pyke Hill Project (Option Agreement). The liquidator of Richfile was aware of, did not object to, and shared in the funds resulting from the option agreement. In 2004, when the Option Agreement was executed, Richfile was entitled to a 50% equitable interest in the Pyke Hill Project. The liquidator of Richfile was aware of and did not object to the option agreement. In September 2005, Richore purchased Richfile's 50% beneficial interest in the Pyke Hill Project from the liquidators of Richfile with knowledge of the option agreement. Richore's 50% interest in Pyke Hill was registered with the Department of Mines, Industry, Regulation and Safety (previously the Department of Mines and Petroleum) on 24 November 2008. Over the course of several years, Richore has claimed that the Company did not acquire any of Richfile's interest in the nickel and cobalt rights, however did not make any formal legal challenge until October 2018 when Richore brought a plaint before the Western Australian Mining Warden for the removal of the Company's caveat over Richore's interest in the property. A Warden's court hearing was held on 23 July 2019 where the validity of the Company's option was argued. The Warden handed down its decision on 30 April 2020 stating that he was "satisfied that Cougar has established there is a serious question to be tried in that there is a prima facie case with sufficient likelihood of success that it has an interest in the whole of M39/159". In addition, the warden stated that on balance there would be a lower risk of injustice by maintaining Cougar's caveat over the tenement.

Subsequent to year end, an amicable agreement was signed between the Company and Geomin regarding a drill contract which was previously breached. In September 2020, the Company received approximately $95,000.

ENVIRONMENTAL ISSUES

The Group has a policy of complying with its environmental performance obligations. The Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group.

INFORMATION ON DIRECTORS

Randal Swick	Executive Chairman
Qualifications	B.Eng. (Mech)
Experience	Randal Swick is a mechanical engineer with approximately 30 years' experience in the metals and mining industry with a strong focus on gold and nickel exploration in both surface and underground environments. Randal was a founding director of Cougar and has held the position of Managing Director or Executive Chairman since its initial listing on the ASX in 2013.
Interest in Shares and Options	451,466,224 ordinary fully paid shares 18,550,000 options exercisable at $0.01 on or before 31 March 2022
Directorships held in other listed entities within past three years	Nil

INFORMATION ON DIRECTORS (CONTINUED)

David Symons	Non-Executive Director
Qualifications	B.Sc (Extractive Metallurgy)
Experience	David Symons has worked in the mining industry, both in Australia and overseas, for approximately 30 years. Since 1998, Mr Symons has been the Managing Director of Independent Metallurgical Operations Pty Ltd, a leading metallurgical services company in Australia. In this capacity, Mr Symons has undertaken operations management, project work and consulting to clients across a range of commodities.
Interest in Shares and Options	3,387,433 fully paid ordinary shares
Directorships held in other listed entities within past three years	Nil
Brian Thomas	Non-Executive Director (Resigned 1 August 2019)
Qualifications	B.Sc (Geology and Economic Geology)
Experience	Mr Brian Thomas has worked in the resources and mining sector for more than 30 years and brings strong commercial and corporate expertise to the Board of Cougar Metal. Mr. Thomas has held both Executive and Non-Executive roles with numerous other ASX listed and unlisted companies after an extensive career in the financial services sector working in corporate stockbroking, investment banking, funds management and banking. Mr. Thomas has an MBA and is a member of the Securities Institute of Australia with a Certificate in Applied Finance and Investment.
Interest in Shares and Options	Nil
Directorships held in other listed entities within past three years	Non-Executive Director of Auris Minerals Ltd (current) Non-Executive Chairman of Orinoco Gold Limited (Resigned Dec 2017) Non-Executive Director of Tempo Australia Ltd (Resigned Nov 2017)
Scott Reid	Non-Executive Director (Appointed 1 August 2019)
Qualifications	B.Sc (Geology and Economic Geology)
Experience	Mr Scott Reid has over 28 years of experience in exploration, development and mining finance sectors. Mr Scott Reid was involved in the development of a number of successful listed companies. He has been instrumental in identifying, acquiring, financing, listing and development of operating mineral resource projects.
Interest in Shares and Options	Nil
Directorships held in other listed entities within past three years	Nil

REMUNERATION REPORT – AUDITED

This remuneration report for the year ended 30 June 2019 outlines the remuneration of the Group in accordance with the requirements of Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by Section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for Key Management Personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent.

For the purposes of this report, the term "executive" includes the Managing Director (MD) or Executive Chairman, executive directors (where applicable) and senior executives of the Group.

Remuneration Governance

The Board of Directors established a Remuneration Committee for the purpose of reviewing and making recommendations with respect to the remuneration practices of the Company.

Given the size of the Company, the Committee currently comprises of Mr David Symons (Chair), Mr Randal Swick and Mr Scott Reid.

The Board of Directors prepared and approved a charter as the basis on which the committee will be constituted and operated. The role of the Remuneration Committee is to provide an independent mechanism for the determination, implementation and assessment of the remuneration practices of the Company, including remuneration packages and incentive schemes for executive Directors and senior management, and fees payable to Non-Executive Directors.

The Committee's objective is to ensure that remuneration policies and structures are fair and competitive, and aligned with the long term interests of the Group.

From time to time, the Committee may seek external remuneration advice. Where this is the case, remuneration consultants are engaged by, and report directly to, the Committee. In selecting remuneration consultants, the Committee considers potential conflicts of interest and requires independence from the Group's KMP as part of the terms of engagement.

The Corporate Governance Statement provides further information on the role of the Remuneration Committee.

Remuneration Policy

The remuneration policy of Cougar Metals NL and its Controlled Entities has been designed to align Director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on share price performance. The Board believes that remuneration policy is appropriate and effective in its ability to attract, retain and motivate suitably qualified and experienced Directors and executives to run and manage the economic entity, as well as create goal congruence between the Directors and executives and the Company's shareholders.

Specifically, the remuneration policy has been put in place to ensure that:

1) Remuneration policies and systems support the Company's wider objectives and strategies;
2) Directors' and senior executives remuneration is aligned to the long-term interests of shareholders within an appropriate control framework;
3) Directors' and senior executives remuneration reflect the persons' duties and responsibilities;
4) Directors' and senior executives remuneration is comparative in attracting, retaining and motivating suitably qualified and experienced people; and
5) There is a clear relationship between performance and remuneration.

REMUNERATION REPORT – AUDITED (CONTINUED)

Remuneration Structure
In accordance with best practice corporate governance, the structure of Non-Executive Director, executive Director and senior executive management remuneration is separate.

Voting and Comments Made at the 2018 Annual General Meeting
The Company received 95% of yes votes on its remuneration report for the year ended 30 June 2018. The Company did not receive any specific feedback at the annual general meeting on its remuneration practices.

Non-Executive Director Remuneration
Objective
The Board seeks to set remuneration at a level which provides the Company with the ability to attract and retain suitably qualified and experienced Directors, whilst incurring a cost which is acceptable to shareholders.

Structure
Each Non-Executive Director receives a fee for being a Director of the Company. Non-Executive Directors should be adequately remunerated for their time and effort and the risks involved. Non-Executive Directors are remunerated to recognise the responsibilities, accountabilities and associated risks of being a Director. All Non-Executive Directors' performance and remuneration is reviewed on an annual basis by the Managing Director, who in turn makes a recommendation to the Remuneration Committee. The Company has two Non-Executive Directors, who both receive $42,000 per annum Non-Executive Directors are eligible to participate in employee share and option arrangements. Board operating costs do not form part of Non-Executive Directors' remuneration.

Executive Directors and Senior Executives Remuneration
Objective
The Company aims to reward executive Directors and senior executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company.

Fixed Remuneration
The components of the executive Directors and senior executives fixed remuneration are determined individually and may include:

1) cash remuneration;
2) superannuation contributions made by the Company;
3) accommodation and travel benefits;
4) motor vehicle, parking and other benefits; and
5) reimbursement of entertainment, home office and telephone expenses.

The senior executives' remuneration is reviewed on an annual basis by the Managing Director, who in turn makes a recommendation to the Remuneration Committee.

In determining a remuneration package, the Remuneration Committee reviews the individual's remuneration relative to positions in comparable companies through the use of market data. Where appropriate, the package is adjusted to keep pace with market trends and ensure continued remuneration competitiveness. In conducting a comparative analysis, the Company's expected performance for the year would be considered in the context of the Company's capacity to fund remuneration budgets. From time to time, a review of the total remuneration package by an independent consultant in this field may be undertaken to provide an independent reference point.

REMUNERATION REPORT – AUDITED (CONTINUED)

Variable Remuneration
The executive Directors and senior executives may receive variable remuneration as follows:

1) Short term incentives - the executive Directors and senior executives are eligible to participate in a bonus if so determined by the Board and Remuneration Committee; and
2) Long term incentives - the executive Directors and senior executives are eligible to receive shares and options if so determined by the Board and Remuneration Committee.

Employment Contracts with Key Management Personnel
During the year, the Group has contracts with the following Key Management Personnel:

Randal Swick (Executive Chairman)
The key terms of Mr Randal Swick's current service agreement, through Corporate Management Services LLC, are as follows:

- The service arrangement continues until terminated.
- Fixed remuneration of $218,400 per annum.
- There are no termination benefits at the completion of the contract term. However, if the Company wishes to terminate the contract, other than if Randal Swick was found guilty of any gross misconduct or a serious and persistent breach of the service agreement, the Company is required to pay to Randal Swick that amount which otherwise would have been paid under the service agreement for a period of six months, plus an additional two months (calculated on a pro rata basis) in respect of each year of service.

Scott Reid (General Manager)
The key terms of Mr Scott Reid's engagement are as follows:

- Services agreement commenced on 23 January 2018 and was terminated on 31 October 2018.
- Fixed remuneration of $10,000 per month.

Performance Summary
The tables below set out summary information about the Group's earnings and movements in shareholder wealth for the five years to 30 June 2019:

	30 June 2019	**30 June 2018**	**30 June 2017**	**30 June 2016**	**30 June 2015**
	$	**$**	**$**	**$**	**$**
Revenue*	687,215	883,766	2,354,542	2,237,091	3,886,659
Net (loss) after tax *	(2,083,159)	(3,426,045)	(1,446,829)	(1,584,781)	(4,363,092)
Share price at start of year	$0.004	$0.009	$0.002	$0.001	$0.002
Share price at end of year	$0.001	$0.004	$0.009	$0.002	$0.001
Dividend	-	-	-	-	-
Basic and diluted loss per share from continuing operations (cents)	(0.14)	(0.27)	(0.10)	(0.24)	(0.66)

*Includes discontinued operations

REMUNERATION REPORT – AUDITED (CONTINUED)

Details of Remuneration

All remuneration paid to Directors and executives is valued at the cost to the Company and expensed. Options are valued using the Black-Scholes methodology or other accepted methodologies.

2019	Short Term Employee Benefits			Post-Employment Benefits	Share Based Payments		
	Salary, Fees and Commissions	Other	Non-Cash Benefits	Superannuation Contributions	(Options)	Total	Options as Compensation
	$	$	$	$	$	$	%
Directors [1,2]							
Randal Swick (i)	218,400	-	-	-	-	218,400	0%
David Symons (ii)	42,000	-	-	-	-	42,000	0%
Brian Thomas (iii)	42,000	-	-	-	-	42,000	0%
Key Management Personnel							
Scott Reid (iv)	40,000	-	-	-	-	40,000	0%
	342,400	**-**	**-**	**-**	**-**	**342,400**	

(i) Made payable to Corporate Management Services LLC
(ii) Made payable to Independent Metallurgical Operations
(iii) Made payable to B D Thomas & Associates
(iv) Resigned as General Manager on 31 October 2018

Notes:

1. There are no other contracts to which a Director is a party or under which a Director is entitled to a benefit other than as disclosed in this report or the financial statements.
2. All Directors are engaged through Cougar Metals NL.

2018	Short Term Employee Benefits			Post-Employment Benefits	Share Based Payments		
	Salary, Fees and Commissions	Other	Non-Cash Benefits	Superannuation Contributions	(Options)	Total	Options as Compensation
	$	$	$	$	$	$	%
Directors							
Randal Swick (i)	218,400	-	-	-	-	218,400	0%
David Symons (ii)	42,000	-	-	-	-	42,000	0%
Brian Thomas (iii)	42,000	-	-	-	-	42,000	0%
Key Management Personnel							
Scott Reid	75,000	-	-	-	-	75,000	0%
	377,400	**-**	**-**	**-**	**-**	**377,400**	

(i) Made payable to Corporate Management Services LLC
(ii) Made payable to Independent Metallurgical Operations
(iii) Made payable to B D Thomas & Associates

REMUNERATION REPORT – AUDITED (CONTINUED)

Equity Instruments Relating to Key Management Personnel

Shareholdings

The numbers of shares in the Company held during the financial year by each Director and key management person of Cougar Metals NL, including their personally related parties, are set out below:

2019	Balance at beginning of year	Granted during year as compensation	Balance on resignation	Other changes during year	Balance at end of year
Randal Swick	414,366,224	-	-	37,100,000	451,466,224
David Symons	3,387,433	-	-	-	3,387,433
Brian Thomas	-	-	-	-	-
Scott Reid (i)	-	-	-	-	-

(i) Resigned as General Manager on 31 October 2018

Option holdings

The numbers of options in the Company held during the financial year by each Director and key management person of Cougar Metals NL, including their personally related parties, are set out below:

2019	Balance at beginning of year	Granted during year as compensation	Balance on resignation	Other changes during year	Balance at end of year
Randal Swick	-	-	-	18,550,000	18,550,000
David Symons	-	-	-	-	-
Brian Thomas	-	-	-	-	-
Scott Reid (i)	-	-	-	-	-

(i) Resigned as General Manager on 31 October 2018

Other Transactions with the Company

A number of directors of the Company, or their director-related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. The terms and conditions of the transactions with directors and their director related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

The aggregate amounts paid or payable during the year relating to directors and their director-related entities were:

Related entities	Transaction	2019 $	2018 $
Corporate Management Services LLC – Randal Swick	Consulting fees (Marcia Swick)	30,309	75,000
Metallurgical Pty Ltd – David Symons	Metallurgical services	20,737	-
Independent Metallurgical Operations – David Symons	Metallurgical services	720	4,840

REMUNERATION REPORT – AUDITED (CONTINUED)

Payable to Related Parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2019	2018
Trade and other payables	$	$
Corporate Management Services LLC – Randal Swick	1,087,333	1,124,833
Randal Swick	218,400	-
Marcia Swick – Randal Swick	37,500	-
Independent Metallurgical Operations – David Symons	27,742	49,350
B D Thomas and Associates – Brian Thomas	15,250	22,750
Scott A Reid	14,772	20,000
Loan from Related Parties		
Randal Swick*	1,380,058	1,243,307

* $923,456 relates to discontinued operations (2018: $950,307). Refer to Note 15 for more details on loan.

End of Remuneration Report

MEETING OF DIRECTORS

During the financial year, 7 meetings of Directors (excludes meetings by circular resolution) were held. Attendances by each Director during the year were as follows:

	Board Meetings		Audit and Compliance Committee Meetings	
Director	**Number Eligible to Attend**	**Number Attended**	**Number Eligible to Attend**	**Number Attended**
Randal Swick	7	7	1	1
David Symons	7	7	1	1
Brian Thomas	7	7	1	1

OPTIONS AND RIGHTS HOLDINGS

There were 83,834,752 unlisted options on issue during the year ended 30 June 2019 (2018: 70,000,000). 30,000,000 unlisted options expired during the year, with no options exercised during the year.

Grant Date	Expiry Date	Exercise Price	Number of Options
7 June 2018	7 June 2021	$0.01	40,000,000
11 March 2019	31 March 2022	$0.01	43,834,752

INDEMNIFYING OFFICERS OR AUDITOR

The Group has agreed to indemnify all the directors and executives officers for any costs or expenses that may be incurred in defending civil and criminal proceedings that may be brought against the officers in their capacity as officers of entities of the Group for which they may be held personally liable. The Company has paid a premium to insure the directors and officers of the Company and its controlled entities. Details of the premium are subject to a confidentiality clause under the contract of insurance.

The Company has not entered into any agreement to indemnify Bentleys Audit & Corporate (WA) Pty Ltd against any claims by third parties arising from their report on the consolidated annual report.

PROCEEDINGS ON BEHALF OF COMPANY

Other than as referred to in this report, no person has applied for leave of Court to bring proceedings on behalf of the Company or one of its consolidated entities or intervene in any proceedings to which the Company or one of its consolidated entities is a party for the purpose of taking responsibility on behalf of the Company or one of its consolidated entities for all or any part of those proceedings.

CORPORATE GOVERNANCE

The Board of Directors is responsible for the corporate governance of the Company and has adopted a range of corporate governance policies consistent with the third edition of "Principles of Good Corporate Governance and Recommendations" released by the ASX Corporate Governance Council, to the extent that such recommendations are consistent with the current structure and objectives of the Company. The Company is aware of the 4th edition of the ASX principles and recommendations recently released and will adopt these in the next reporting period.

AUDITOR

Non-Audit Services
The Company may decide to employ its auditor Bentleys Audit & Corporate (WA) Pty Ltd on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or Group are important. During the year, no non-audit services were performed by the auditor.

Auditor's Declaration of Independence
The auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 18.

Signed in accordance with a resolution of the Board of Directors in accordance with s298(2) of the Corporations Act 2001.

Randal Swick

Randal Swick
Executive Chairman

Dated this 30th day of October 2020

COMPETENT PERSONS STATEMENT
Information in this announcement that relates to exploration results is based on and fairly represents information and supporting documentation compiled by Mr Brian Thomas BSc MBA Grad Cert App Fin Inv, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Brian Thomas is a Non-Executive Director of Cougar Metals NL. Mr Brian Thomas has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking, to qualify as a Competent Person, as defined in the 2012 Edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves". Mr Brian Thomas consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

Bentleys
THINKING AHEAD

Bentleys Audit & Corporate (WA) Pty Ltd
London House
Level 3,
216 St Georges Terrace
Perth WA 6000

PO Box 7775
Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500
F +61 8 9226 4300

bentleys.com.au

To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit partner for the audit of the financial statements of Cougar Metals NL for the financial year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

Bentleys

Mark Delaurentis

BENTLEYS
Chartered Accountants

MARK DELAURENTIS CA
Partner

Dated at Perth this 30th day of October 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Continuing operations			
Finance revenue	2	547	1,616
Other income	2	356,734	-
		357,281	1,616
Accounting and audit expenses		(124,469)	(155,285)
Corporate expenditure and professional fees	3b	(464,897)	(570,054)
Depreciation expense	11	-	(2,195)
Doubtful debts expense		(13,753)	-
Finance costs	3a	(269,732)	(31,956)
Foreign exchange loss		(22,255)	(14,843)
Impairment of assets	13	(392,261)	(1,170,099)
Legal expense		(706,138)	(402,097)
Office administration expenses		(11,826)	(10,882)
Operating expenses		(92,243)	(114,710)
Other expenses		7,588	(910)
Loss from continuing operations before income tax		(1,732,705)	(2,471,415)
Income tax benefit	4	-	-
Loss for the year after income tax from continuing operations		**(1,732,705)**	**(2,471,415)**
Discontinued operations			
Loss for the year after income tax from discontinued operations	12	(350,454)	(954,630)
Loss for the year		**(2,083,159)**	**(3,426,045)**
Other comprehensive income for the year			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		(3,449)	(71,813)
Total comprehensive loss for the year		**(2,086,608)**	**(3,497,858)**
Loss per share from continuing operations			
Basic loss per share (cents)	7	(0.17)	(0.27)
Diluted loss per share (cents)	7	(0.17)	(0.27)
Loss per share from continuing and discontinued operations			
Basic loss per share (cents)	7	(0.21)	(0.38)
Diluted loss per share (cents)	7	(0.21)	(0.38)

The accompanying notes form part of this annual report.

	Note	Consolidated 2019 $	Consolidated 2018 $
ASSETS			
Current Assets			
Cash and cash equivalents	8	186,260	27,818
Trade and other receivables	9	4,350	13,860
Other assets	10	6,131	76,907
		196,741	118,585
Assets classified as held for sale	12	1,381	(3,275)
Total Current Assets		198,122	115,310
Non-Current Assets			
Exploration and evaluation expenditure	13	-	231,678
Total Non-Current Assets		-	231,678
Total Assets		198,122	346,988
LIABILITIES			
Current Liabilities			
Trade and other payables	14	2,171,478	1,627,961
Loans and borrowings	15	1,121,483	374,792
		3,292,961	2,002,753
Liabilities directly associated with Assets classified as held for sale	12	5,113,137	4,790,047
Total Current Liabilities		8,406,098	6,792,800
Total Liabilities		8,406,098	6,792,800
Net Liabilities		**(8,207,976)**	**(6,445,812)**
EQUITY			
Issued capital	16	28,912,223	28,580,190
Reserves	17	(503,553)	(356,996)
Accumulated losses		(36,616,645)	(34,669,006)
Net Deficit		**(8,207,976)**	**(6,445,812)**

The accompanying notes form part of this annual report.

	Issued Capital $	Accumulated Losses $	Share Based Payment Reserve $	Foreign Currency Translation Reserve $	Net Deficit $
Balance at 30 June 2017	**27,752,043**	**(31,242,961)**	**-**	**(616,703)**	**(4,107,621)**
Loss for the year	-	(3,426,045)	-	-	(3,426,045)
Foreign currency translation	-	-	-	(71,813)	(71,813)
Total comprehensive income for the year	-	(3,426,045)	-	(71,813)	(3,497,858)
Equity issued during the year (net of issue costs)	616,480	-		-	616,480
Share-based payments	211,667	-	135,520	-	347,187
Convertible note issued	-	-	196,000	-	196,000
Balance at 30 June 2018	**28,580,190**	**(34,669,006)**	**331,520**	**(688,516)**	**(6,445,812)**
Loss for the year	-	(2,083,159)	-	-	(2,083,159)
Foreign currency translation	-	-	-	(3,449)	(3,449)
Total comprehensive income for the year	-	(2,083,159)	-	(3,449)	(2,086,608)
Equity issued during the year (net of issue costs)	102,033	-	-	-	102,033
Collateral shares forgiven	30,000	-	-	-	30,000
Convertible note	200,000	-	-	-	200,000
Share-based payments	-	-	(7,588)	-	(7,588)
Expiry of options	-	135,520	(135,520)	-	-
Balance at 30 June 2019	**28,912,223**	**(36,616,645)**	**188,412**	**(691,965)**	**(8,207,976)**

The accompanying notes form part of this annual report.

	Note	Consolidated 2019 $	Consolidated 2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		262,498	285,301
Payments to suppliers and employees		(1,151,189)	(2,210,554)
Interest received		516	1,616
Interest paid		-	(6,664)
Net cash (used in) operating activities	8a	(888,175)	(1,930,301)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		387,070	596,849
Payments for exploration and evaluation		(165,583)	(558,987)
Purchase of plant and equipment		-	(2,123)
Net cash generated from investing activities		221,487	35,739
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares		101,139	800,000
Payments for share issue costs		(36,206)	(48,000)
Proceeds from convertible loan		550,000	300,000
Payments for convertible note transaction costs		-	(35,000)
Proceeds from borrowings		1,629,472	761,240
Repayment of borrowings		(1,418,521)	(609,421)
Net cash generated from financing activities		825,884	1,168,819
Cash and cash equivalents at beginning of financial year		24,543	750,286
Effects of exchange rate changes on cash and cash equivalents		3,902	-
Net (decrease)/increase in cash and cash equivalents held		159,196	(725,743)
Cash and cash equivalents at end of financial year	8b	**187,641**	**24,543**

The accompanying notes form part of this annual report.

1 Statement of Significant Accounting Policies

(a) Basis of Preparation

Cougar Metals NL (the "Parent" or the "Company") is a public company listed on the Australian Securities Exchange Limited ("ASX") and is incorporated in Australia. The registered office of Cougar Metals NL is Ground Floor, 16 Ord Street, West Perth in Western Australia.

Cougar Metals NL and its subsidiaries (collectively referred to as the "Cougar Metals Group" or the "Group") operate in Western Australia and throughout the geographical regions of Brazil, Uruguay, Madagascar and Canada. The consolidated annual report of the Company and its controlled entities for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the directors on 30 October 2020.

The consolidated annual report has been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The consolidated annual report provides comparative information in respect of the previous period. Certain comparative information has been reclassified to be presented on a consistent basis with the current year's presentation.

(b) Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the company and the Group comply with International Financial Reporting Standards ('IFRS').

(c) Going Concern

The financial report has been prepared on a non-going concern basis, as a result of the circumstances detailed below.

The Group has incurred a loss for the year of $2,083,159 (2018 loss: $3,426,045) and net cash outflow from operating activities of $888,175(2018 outflow: $1,930,301). The loss during the year is due largely to difficult trading conditions in its contract drilling services business of which a decision has been made by the Board to discontinue these operations (refer note 12). The loss from discontinued operations during the year was $350,454 (2018: $954,630).

As at 30 June 2019, the Group had a deficiency in net assets of $8,207,976 (2018: deficiency $6,445,812). As disclosed in Note 12, the net liabilities of the disposal group as at 30 June 2019 were $5,111,756 (2018: $4,793,322) as such the net liability position of the Group excluding the proposed disposal of the drilling operations was $3,096,220 (2018: $1,652,490) at balance date.

During the year, the Group has made the decision to cease all operations. As a result, Daniel Bredenkamp and Bryan Hughes who are from Pitcher Partners were appointed Joint and Several Administrators of the Company on 30 June 2020 following a resolution passed by the directors of the Company pursuant to section 436A of the Corporations Act 2001.

At present Pitcher Partners are undergoing an independent review and investigation of the affairs of the company and will provide creditors with information and recommendation to assist creditors to decide upon the company's future.

The next step in the administration process is for a report to creditors to be prepared and issued to creditors on or before 13 November 2020 with a subsequent creditors' meeting held on or before 20 November 2020 to decide on the future of the Company, being either:

- a variation of the Holding DOCA to facilitate a transaction and/or restructure of the Company; or
- the termination of the Holding DOCA and the winding up of the Company (i.e. liquidation).

Under the non-going concern basis, assets have been recorded at their net realisable values and liabilities are recorded at the contractual settlement amounts. In additions, all assets and liabilities have been classified as current since it is expected that the assets will be converted into cash and liabilities will be settled within twelve months after the date of signing this financial report.

(d) Principles of Consolidation

The consolidated financial statements are prepared by combining the financial statements of all of the entities that comprise the Group, Cougar Metals NL. The financial statements of subsidiaries are prepared for the same reporting period as the Parent company, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the group and cease to be consolidated from the date on which control is transferred out of the Group.

Where there is loss of control of a subsidiary, the consolidated annual report include the results for the part of the reporting period during which the Company has control.

(e) Foreign Currency Transactions and Balances

The functional and presentation currency of the Group is Australian Dollars.

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Australian Dollars, which is the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rate prevailing on the date the fair values were determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the income statement in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

1 Statement of Significant Accounting Policies

On consolidation, the assets and liabilities of the Group's foreign operations (including comparatives) are translated in to Australian dollars at exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve.

(f) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and deposits repayable on demand with a financial institution. Cash balances and overdrafts in the balance sheet are stated at gross amounts with current assets and current liabilities, unless there is legal right of offset at the bank. The cash and cash equivalents balance primarily consists of cash, on call in bank deposits, bank term deposit with three month maturity and money market investments readily convertible into cash within 2 working days, net of outstanding bank overdrafts. Bank overdrafts are carried at the principal amount.

(g) Plant and Equipment

Items of plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes acquisition, being the fair value of the consideration provided, plus incidental costs directly attributable to the acquisition.

Subsequent costs directly related to an item are recognised in the carrying amount of that item of plant and equipment only when it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs, including repairs and maintenance, are recognised in the income statement as an expense.

Depreciation is recognised in the income statement on a straight-line or diminishing value basis over the estimated useful life of each part of an item of plant and equipment. Those items of plant and equipment under construction are not depreciated.

The following useful lives are used in the calculation of depreciation for each class of plant and equipment:

Leasehold Improvements	5 years
Furniture and Fittings	5 – 10 years
Plant and Equipment	7 – 10 years
Drilling Rigs	7 – 10 years
Motor Vehicles	3 – 5 years
Other Drilling Equipment	5 – 10 years
Office Equipment	5 – 10 years

(h) Exploration and Evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

i) The rights to tenure of the area of interest are current; and
ii) At least one of the following conditions is also met:
   (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

1 Statement of Significant Accounting Policies

(h) Exploration and Evaluation (Continued)

(b) 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 assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) 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 years.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(i) Loans and Borrowings

Loans and borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs incurred. Borrowings are subsequently measured at amortised cost utilising the effective interest rate method. Difference occurring between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. All borrowing costs are recognised as an expense in the period in which they are incurred.

(j) Convertible Notes

Convertible notes issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion options that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company’s own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument’s maturity date.

1 Statement of Significant Accounting Policies

(j) Convertible Notes (Continued)

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to equity. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits.

No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option. Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

(k) Financial Instruments

Recognition, Initial Measurement and Derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and Subsequent Measurement of Financial Assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable)

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Amortised cost
- Fair value through profit or loss (FVPL)
- Equity instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses. Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

1 Statement of Significant Accounting Policies

(k) Financial Instruments (Continued)

Financial Assets at Amortised Cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as government bonds that were previously classified as held-to-maturity under AASB 139.

There are no FVPL and FVOCI instruments for the group.

Loans and Receivables
The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Impairment of Financial Assets
AASB 9's impairment requirements use more forward-looking information to recognize expected credit losses – the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.
In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

1 Statement of Significant Accounting Policies

(k) Financial Instruments (Continued)

Financial Liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

The Group's financial liabilities include trade and other payables.

(l) Impairment of Non-Financial Assets

At each reporting date the Company conducts an internal review of asset values of its non-financial assets to determine whether there is any evidence that the assets are impaired. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are independent cash inflows (cash generating units).

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit or group of units on a pro rata basis.

(m) Current and Non-Current Classification

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

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

A liability is classified as current when: it is either expected to be settled in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

1 Statement of Significant Accounting Policies

(n) 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. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Earnings per Share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share are calculated as net profit attributable to members of the parent, adjusted for:

- Costs of servicing equity (other than dividends) and preference share dividends;
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as an expense; and
- Other non-discretionary changes in revenue or expenses during the period that would result from the dilution of potential ordinary shares.

This is divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(o) Revenue Recognition

Revenue from the sale of goods and rendering of services is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates and sales taxes. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs or services and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods. Transfers of risks and rewards vary depending on the individual terms of the contract of sale and with local statute but are generally when title and insurance risk has passed to the customer and the goods have been delivered to a contractually agreed location. Interest revenue is recognised as it accrues using the effective interest rate method.

(p) Current and Deferred Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, in respect of all temporary differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Temporary differences are differences between the Group’s tax base of an asset or liability and its carrying amount in the statement of financial position.

1 Statement of Significant Accounting Policies

(p) Current and Deferred Taxation

Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.
Deferred tax assets are recognised for deductible timing differences and unused tax losses only if it is probable that future taxable amounts will be sufficient to utilise those deductible timing differences and unused tax losses.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying temporary differences or unused tax losses and tax credits can be deducted. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(q) Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant Standards. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets that relate to employee benefit arrangements are recognised and measured in accordance with AASB 112 *Income Taxes* and AASB 119 *Employee Benefits* respectively*;*
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share based payment awards are measured in accordance with AASB 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with *AASB 5 Noncurrent Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

(q) Business Combinations (Continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

(r) Discontinued Operations

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate line of geographical area of operations or business, and is part of a single coordinated plan to dispose of such a line of business or to resale. The results of discontinued operations are presented separately on the face of the consolidated statement of profit and loss and other comprehensive income.

(s) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(t) Share Based Payments

The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (‘equity-settled transactions’). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company (‘market conditions’). The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (‘vesting date’).

1 Statement of Significant Accounting Policies

(t) Share Based Payments (Continued)

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects: (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(u) Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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.

The following are the critical judgements, and other key sources of estimation uncertainty, that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Share based payments

The Group measures the cost of equity-settled transactions with management personnel and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes model, with the assumptions detailed in the relevant notes. 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 expenses and equity.

Exploration expenditure

The group's accounting policy for exploration and evaluation assets is set out in Note 1 (h).

1 Statement of Significant Accounting Policies

(v) New or Amended Accounting Standards or Interpretations

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.

AASB 9 Financial Instruments
The Group has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value.

All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity.

(v) New or Amended Accounting Standards or Interpretations (Continued)

New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available. Applying AASB 9 did not have any impact on the classification or valuation of financial assets, impairment bookings on trade receivables and other financial assets.

AASB 15 Revenue from Contracts with Customers
The Group has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price.

Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period. Applying AASB 15 using the modified retrospectively approach has had no impact on timing of revenue recognition or on the presentation of the consolidated financial statements to current or prior period amounts.

(w) New Accounting Standards and Interpretations Not Yet Mandatory

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

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred.

A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (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.

(w) New Accounting Standards and Interpretations Not Yet Mandatory (Continued)

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group did not have any material non-cancellable operating leases. Accordingly, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the group's profit and classification of cash flows. Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under AASB 16. Based on the management's assessment, there will not be a material impact on the transactions and balances recognised and the Group does not intend to adopt the standard before its effective date.

(x) Operating Segments

Operating segments are presented using the 'management approach, where the information presented is on the same basis as the internal reports provided to the Board of Directors. They are responsible for the allocation of resources to operating segments and assessing their performance.

	Consolidated 2019 $	Consolidated 2018 $
2 Revenue		
Interest revenue	**547**	**1,616**
Other income		
Gain on liabilities extinguished	37,100	-
Sale of assets	57,136	-
Other income	262,498	-
	356,734	**-**

3 Expenses

Loss before tax is arrived after charging the following expenses:

		Consolidated 2019	Consolidated 2018
(a)	**Finance costs**	**$**	**$**
	Interest expense	1,765	971
	Interest on convertible note	264,339	25,292
	Bank charges	3,628	5,693
		269,732	**31,956**
(b)	**Corporate expenditure**		
	Director fees	302,400	371,165
	Consultancy fees	103,555	107,745
	Other	50,109	64,452
	Share registry fees	8,833	16,356
	Wages and salaries	-	10,336
		464,897	**570,054**

4 Income tax benefit

Major components of income tax expense for the years ended 30 June 2019 and 30 June 2018 are:

	Consolidated 2019 $	Consolidated 2018 $
Continuing operations:		
Current income tax charge	-	-
Deferred income tax	-	-
Income tax benefit reported in the income statement	-	-

A reconciliation of income tax expense applicable to accounting loss before income tax at the statutory income tax rate to income tax expense at the company's effective income tax rate is as follows:

	Consolidated 2019 $	Consolidated 2018 $
Accounting loss before tax – continuing operations	(1,732,705)	(2,471,415)
Accounting loss before tax – discontinued operations	(350,454)	(954,630)
Accounting loss before tax for the year	(2,083,159)	(3,426,045)
Income tax benefit calculated based on rate of 27.5% (2018: 27.5%)	(572,869)	(942,162)
Add: Non-deductible expenditure	295,770	321,777
Less: Non-assessable income	(72,187)	-
Less: Other deductible expenditure	(44,160)	-
Less: Temporary differences	67,683	(87,335)
Add: Tax loss not brought to account as a deferred tax asset	325,763	707,720
Income tax benefit recognised in profit or loss	-	-

At reporting date, the Group has unused Australian tax losses of $13,308,269 (2018: $12,331,546) that are available for offset against future taxable profits. The ability to offset unused tax losses in the event that taxable profits are generated in the future will be dependent upon the taxation rules prevailing at that time and the Group satisfying the conditions for offset.

5 Related party transactions

(a) Directors and key management personnel

The following persons were Directors and key management personnel of Cougar Metals NL during the financial year:

Randal Swick	Executive Chairman *(appointed 27 November 2014)*
David Symons	Non-Executive Director *(appointed 31 August 2016)*
Brian Thomas	Non-Executive Director *(appointed 8 June 2018)*
Scott Reid	General Manager (*resigned 31 October 2018)*

(b) Key Management Compensation

The aggregate compensation made to key management personnel of the group is set out below. Refer to Remuneration Report attached in the Director's Report for more details.

	2019	**2018**
	$	**$**
Short term employee benefits	342,400	377,400
Post-employment benefits	-	-
	342,400	**377,400**

(c) Other Transactions with the Company

A number of directors of the Company, or their director-related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. The terms and conditions of the transactions with directors and their director related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

The aggregate amounts paid or payable during the year relating to directors and their director-related entities were:

		2019	**2018**
Related entities	**Transaction**	**$**	$
Corporate Management Services LLC – Randal Swick	Consulting fees (Marcia Swick)	30,309	75,000
Metallurgical Pty Ltd – David Symons	Metallurgical services	20,737	-
Independent Metallurgical Operations – David Symons	Metallurgical services	720	4,840

5 Related party transactions (Conitnued)

(d) Payable to Related Parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2019	2018
Trade and other payables	$	$
Corporate Management Services LLC – Randal Swick	1,087,333	1,124,833
Randal Swick	218,400	-
Marcia Swick – Randal Swick	37,500	-
Independent Metallurgical Operations – David Symons	27,742	49,350
B D Thomas and Associates – Brian Thomas	15,250	22,750
Scott A Reid	14,772	20,000
Loan from Related Parties		
Randal Swick*	1,380,058	1,243,307

* $923,456 relates to discontinued operations (2018: $950,307). Refer to Note 15 for more details on loan.

	Consolidated 2019 $	Consolidated 2018 $
6 Auditor's remuneration		
Auditing or reviewing the annual report	46,934	40,505
	46,934	**40,505**

7 Loss per share

Loss from continuing operations - used in the calculation of loss per share	(1,732,705)	(2,471,415)
Net loss for year – used in the calculation of loss per share	(2,083,159)	(3,426,045)
	No.	**No.**
Weighted average number of shares used in calculating loss per share	1,005,461,074	901,213,891
	Cents	**Cents**
Diluted and undiluted loss per share from continuing operations	(0.17)	(0.27)
Diluted and undiluted loss per share from continuing and discontinued operations	(0.21)	(0.38)

8 Cash and cash equivalents

	Consolidated 2019 $	Consolidated 2018 $
Cash at bank and in hand	186,260	7,818
Short-term bank deposits	-	20,000
	186,260	**27,818**

(a) Reconciliation of cash flow from operations with loss after income tax

	Consolidated 2019 $	Consolidated 2018 $
Loss for the year	(2,083,159)	(3,426,045)
Non-cash flows in loss		
Depreciation	-	2,195
Foreign Exchange loss	247,080	14,844
Impairment expense	392,261	1,170,099
Share based payments	(7,588)	-
Gain on liabilities extinguished	(37,100)	-
Profit on disposal of assets	(387,070)	(596,849)
Doubtful Debt expense	13,753	-
Changes in assets and liabilities		
(Increase) / Decrease in trade and other receivables	755	202,043
Decrease in other assets	70,776	73,673
Increase in trade payables and accruals	947,298	265,964
(Decrease) / Increase in provisions	(45,181)	363,775
Net cash (used in) operating activities	**(888,175)**	**(1,930,301)**

8 Cash and cash equivalents (Continued)

(b) Cash and cash equivalents as shown in the consolidated statement of cash flows is reconciled to the related items in the consolidated statement of financial position as follows:

	Consolidated 2019 $	Consolidated 2018 $
Cash and cash equivalents as per the consolidated statement of financial position	186,260	27,818
Cash and cash equivalents attributable to discontinued operations	1,381	(3,275)
	187,641	**24,543**

(c) Changes in liabilities arising from financing activities

2019	1 July	Cash Flows	Transaction Costs / Conversion	Amortisation of Transaction Costs	30 June
Related party loan	1,191,006	189,052	-	-	1,380,058
Convertible note	81,792	550,000	(231,250)	264,339	664,881
Total	1,272,798	739,052	(231,250)	264,339	2,044,939
2018					
Related party loan	1,039,187	151,819	-	-	1,191,006
Convertible note	-	252,500	(196,000)	25,292	81,792
Total	1,039,187	404,319	(196,000)	25,292	1,272,798

9 Trade and other receivables

	Consolidated 2019 $	Consolidated 2018 $
Consideration receivable (d)	1,706,520	1,706,520
Other receivables	90,619	86,376
Provision for impairment	(1,792,789)	(1,779,036)
	4,350	**13,860**

a) Trade debtors are non-interest bearing and generally on 30-day terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired.

b) Due to the short-term nature of these receivables their carrying value is assumed to approximate their fair value.

c) Effective interest rates risk and credit risk – information concerning the effective interest rate and credit risk of both current and non-current receivables is detailed in Note 22.

d) The Group disposed of its interests in the Alta Floresta Project in Brazil during the 2014 financial year. Under the terms of the sale agreement, the proceeds were to be received over a 2-year period. The acquirer failed to meet the agreed payment schedule and as a consequence the Group has commenced legal action to recover. Due to the uncertainty of recovery, a provision for impairment of $1,706,520, being the full amount of the receivable was previously recognised.

	Consolidated 2019 $	Consolidated 2018 $
10 Other assets		
Prepayments	**6,131**	**76,907**
11 Plant and equipment		
Furniture and equipment		
At cost	9,837	9,837
Accumulated depreciation and impairment	(9,837)	(9,837)
	-	-
Opening written down value	-	72
Additions	-	2,123
Depreciation	-	(2,195)
Closing written down value	-	-

12 Discontinued operations and assets and liabilities held for sale

(a) Assets and liabilities held for sale

Since 2017, the Company has been winding back drilling operations in Brazil and Uruguay; and liquidating its position in order to focus on its graphite and lithium exploration assets. The Group's drilling operations comprise of the following companies:

i) Cougar Brasilia Pty Ltd
ii) Geologica Sondagens Ltda
iii) Palinir S.A.

As at 30 June 2019, the Company is still in the process of negotiating for the sale of the above operations. The carrying amounts of assets and liabilities of the above operations as at 30 June 2019 are as follows:

	Consolidated 2019 $	Consolidated 2018 $
Assets classified as held for sale		
Cash and cash equivalents	1,381	(3,275)
Trade and other receivables	-	-
Plant and equipment	-	-
	1,381	**(3,275)**
Liabilities directly associated with Assets classified as held for sale		
Trade and other payables	(1,716,899)	(1,321,777)
Provisions	(2,472,782)	(2,517,963)
Loans and borrowings	(923,456)	(950,307)
	(5,113,137)	**(4,790,047)**
Net liabilities	**(5,111,756)**	**(4,793,322)**

12 Discontinued operations and assets and liabilities held for sale (Continued)

(b) Financial performance from discontinued operations

The financial performance of the discontinued operations are as follows:

	Consolidated 2019 $	Consolidated 2018 $
Revenue	-	157,156
Profit on sale of assets (i)	329,934	596,849
Other revenue	-	128,145
Total revenue	329,934	882,150
Expenses	(680,388)	(1,836,780)
Loss from discontinued operations before tax	(350,454)	(954,630)
Income tax benefit	-	-
Loss from discontinued operations	**(350,454)**	**(954,630)**

(i) During 2019, the Group sold various Brazilian drilling assets and motor vehicles. The gain on sale amounting to $329,934 (2018: $596,849) was recognised by the Group and is included in the loss from discontinued operations.

(c) Cash flows from discontinued operations

The cash flows from discontinued operation comprise of the following:

Net cash inflows/(outflows) from operating activities	(335,383)	(206,390)
Net cash inflows from investing activities	329,934	596,849
Net cash inflows from financing activities	5,169	80,366
Effects of exchange rate changes	4,936	-
Net cash inflow	**4,656**	**470,825**

13 Deferred exploration expenditure

Expenditure brought forward	231,678	832,607
Expenditure incurred during year	160,583	569,170
Expenditure impaired during year (i)	(392,261)	(1,170,099)
Expenditure carried forward	**-**	**231,678**

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the mining areas.

(i) The Directors have considered the requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources* and of AASB 136 *Impairment of Assets*, and have reviewed the carrying value of exploration and evaluation expenditures, that mainly relate to the Ceara Lithium Project and the Plateado Cobalt Project. During the year ended 30 June 2019, the Company withdrew from the Plateado Cobalt Project and impaired all capitalised expenditure made in relation to that project. Subsequent to year end, the Directors had no intention of pursuing the Ceara Lithium Project, and hence impaired all capitalised expenditure made on this project. During the year ended 30 June 2018, the Company impaired all capitalised expenditure made in relation to the Toamasina Saprolitic Graphite Project and Shoal Lake East Gold Project.

	Consolidated 2019 $	Consolidated 2018 $
14 Trade and other payables		
Current		
Trade payables	1,805,078	1,432,984
Accruals	366,400	194,977
	2,171,478	**1,627,961**

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value. The Payables disclosed are unsecured.

15 Loans and borrowings

	Consolidated 2019 $	Consolidated 2018 $
Current		
Loan from director related entity – unsecured	456,602	293,000
Convertible Note Face Value	960,000	360,000
Conversion of Convertible Note (Note 16)	(100,000)	-
Convertible Note Transaction Costs *	(195,119)	(278,208)
	1,121,483	**374,792**

Terms and conditions relating to the loan from director related entity:

- The Loan from director related entity – unsecured relates to an advance by Randal Swick (Executive Chairman). Advance is non-interest bearing.
- The total loan from Randal amounted to $1,380,058 (2018: $1,243,307), with $923,456 (2018: $950,307) relating to advances made to discontinued operations.
- Details of the fair value of interest-bearing liabilities and the Group's exposure to interest rate changes on interest bearing liabilities are set out in Note 22.

Terms and conditions relating to the Convertible Note:

- 2 Tranches of convertible notes to be issued to The Lind Partners, LLC at a face value of $360,000 ($300,000 cash) and $600,000 ($550,000 cash) respectively. Each convertible note is convertible into shares based on its face value. All convertible notes will not be convertible for 90 days following the date of execution.
- During the lock-up period, the Company will have the right to buy back the Convertible Security for the face value or anytime thereafter at a 5% premium to the face value. After the lock-up period, Lind will have the option to convert the convertible notes and the conversion price that will be applicable to each conversion will be 90% of the average of three consecutive daily VWAPs, chosen by Lind, during the specified period prior to the conversion election, up to a maximum conversion amount of $100,000 in any calendar month. However, Lind can also elect to convert at any time up to 50% of the face value of the Convertible Notes at a premium conversion price of 130% of the average of each of the 20 daily VWAPs immediately prior to the execution date of the funding agreement.
- Maximum number of shares that may be issued to Lind in relation to conversions of convertible notes is 192,000,000 shares.
- Term is 24 months from execution of the funding agreement.

* Transaction costs are amortised to profit or loss over the term of the convertible note. During the year $264,339 has been expensed.

	Consolidated 2019 $	Consolidated 2018 $
16 Issued capital		
Ordinary fully paid ordinary shares	28,908,797	28,576,764
Contributing shares partly paid to $0.01	3,426	3,426
	28,912,223	**28,580,190**

	2019 $	2019 No.	2018 $	2018 No.
Ordinary shares				
Balance at beginning of year	28,580,190	932,802,691	27,752,043	829,554,238
Issue of shares	101,139	50,569,481	800,000	61,538,462
Shares issued to extinguish liabilities	37,100	37,100,000	-	-
Share based payments	-	-	211,667	26,709,991
Convertible note transaction costs	130,000	45,000,000	-	15,000,000
Conversion of convertible note	100,000	111,111,112	-	-
Share issue costs	(36,206)	-	(183,520)	-
Balance at end of year	**28,912,223**	**1,176,583,284**	**28,580,190**	**932,802,691**

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

- On 9 August 2017, 21,806,071 fully paid ordinary shares at a fair value of $0.007 per share were issued to Michael Fry, as partial satisfaction of all amounts owing by the Company to him on account of unpaid director and professional service fees as at 29 June 2017. On 22 December 2017, 1,570,552 fully paid ordinary shares at a fair value of $0.007 were issued as final settlement of all amounts owing to Michael Fry.
- On 31 August 2017, 3,333,368 fully paid ordinary shares at a fair value of $0.007 per share were issued to David Symons as full and final satisfaction of all amounts owing by the Company to him on account of unpaid director fees as at 31 March 2017.
- On 20 September 2017, a placement of 61,538,462 fully paid ordinary shares at an issue price of $0.013 per share was issued to raise $800,000 (gross of share issue costs).
- On 7 June 2018, 15,000,000 fully paid ordinary shares were issued as collateral for the purposes of the convertible note issued on the same date. This was subsequently cancelled on 24 December 2018.
- On 10 October 2018, 20,000,000 fully paid ordinary shares at a fair value of $0.0025 per share were issued to Lind in lieu of $50,000 advanced to the Company.
- On 3 January 2019, 25,000,000 fully paid ordinary shares at a fair value of $0.002 per share were issued to defer conversion of the convertible note until 31 March 2019.
- On 11 March 2019, an entitlement issue of 50,569,481 fully paid ordinary shares at an issue price of $0.002 per share was issued to raise $101,139 (before share issue costs).
- On 11 March 2019, 37,100,000 fully paid ordinary shares at a fair value of $0.001 per share were issued to extinguish a liability balance of $74,200.
- On 9 April 2019, 55,555,556 fully paid ordinary shares at a fair value of $0.0009 per share were issued upon conversion of $50,000 of the convertible note.
- On 13 May 2019, 55,555,556 fully paid ordinary shares at a fair value of $0.0009 per share were issued upon conversion of $50,000 of the convertible note.

	Consolidated 2019 $	Consolidated 2018 $
17 Reserves		
Options reserve	188,412	331,520
Foreign currency reserve	(691,965)	(688,516)
	(503,553)	**(356,996)**

	2019 $	2019 No.	2018 $	2018 No.
Options reserve				
Balance at beginning of year	331,520	70,000,000	-	-
Share based payments*	(7,588)	18,550,000	135,520	30,000,000
Entitlement issue	-	25,284,752	-	-
Convertible note transaction costs	-	-	196,000	40,000,000
Expiry of options	(135,520)	(30,000,000)	-	-
Balance at end of year	**188,412**	**83,834,752**	331,520	70,000,000

- On 9 August 2017, 20,000,000 unlisted options exercisable at $0.015 expiring on 31 July 2018 and 10,000,000 unlisted options exercisable at $0.017 expiring on 30 June 2019 were issued as part of consideration to GTT Ventures for services in relation to capital raising for the Company.
- On 7 June 2018, 40,000,000 unlisted options exercisable at $0.01 expiring on 7 June 2021 were issued as part consideration to nominee of Lind Partners LLC for entering into a convertible note with the Company.
- On 31 July 2018, 20,000,000 unlisted options exercisable at $0.015 expired unexercised.
- On 11 March 2019, 25,284,752 unlisted options exercisable at $0.01 expiring on 31 March 2022 were issued as free attaching options for every 2 shares issued as part of the entitlement issue.
- On 11 March 2019, 18,550,000 unlisted options exercisable at $0.01 expiring on 31 March 2022 were issued as free attaching options for every 2 shares issued to extinguish a liability balance of $74,200.
- On 30 June 2019, 10,000,000 unlisted options exercisable at $0.017 expired unexercised.

* The Black-Scholes option pricing model was used to value the options and the following table lists the inputs to the model used for the valuation of the options:

Grant Date	Expiry Date	Exercise Price	Share Price at Grant Date	Expected Volatility	Risk-free Interest Rate	Fair Value per Option
11 Mar 2019	31 Mar 2022	$0.01	$0.001	223%	1.60%	$0.0007

Grant Date	Expiry Date	Exercise Price	Balance at Start of Year	Granted	Exercised	Expired	Balance at End of Year
9 Aug 2017	31 Jul 2018	$0.015	20,000,000	-	-	(20,000,000)	-
9 Aug 2017	30 Jun 2019	$0.017	10,000,000	-	-	(10,000,000)	-
7 Jun 2018	7 Jun 2021	$0.01	40,000,000	-	-	-	40,000,000
11 Mar 2019	31 Mar 2022	$0.01	-	43,834,752	-	-	43,834,752
			70,000,000	**43,834,752**	**-**	**(30,000,000)**	**83,834,752**

18 Contingent assets and contingent liabilities

The Directors are not aware of any contingent liabilities or contingent assets as at 30 June 2019, with the exception of the following.

18 Contingent assets and contingent liabilities (Continued)

Shoal Lake East Gold Project

In 2015, Tycoon Gold Resources Inc, a wholly owned subsidiary incorporated in Canada, has commenced a legal action against the owner of the Shoal Lake East Gold Project with respect to concerns it has in relation to the owner's conduct and alleged breaches of certain representations and warranties made by the owner under the option agreement, which was referred to arbitration. In February 2016, the results of the arbitration were handed down with Tycoon succeeding on all major matters raised in the arbitration proceedings. The arbitrator awarded Tycoon costs totalling CAD$297,165 on an indemnity basis. The matter remains incomplete pending compliance of the arbitrator's orders. No asset or liability has been recognised in relation to this matter at this time.

Ceara Lithium Project

The Company and MMH Capital Ltd entered into a Letter of Intent on or about 2 August 2016 (**LOI**) under which the Company was to acquire an 85% interest in approximately 35 tenement applications in Brazil covering an area of ~60,000 Ha that are prospective for lithium mineralisation (**Tenement Applications**). Pursuant to the LOI, the Company agreed to issue, on completion of a definitive legal agreement, subject to available capacity or Shareholder approval, a total of 100,000,000 Shares as consideration for the acquisition of an 85% interest in the Tenement Applications. The Company obtained shareholder approval on 30 November 2017 at its Annual General Meeting and has yet to issue the shares. The value of the shares as at 30 June 2019 is $100,000 using the closing price of $0.001 on 28 June 2019 (last trading day before balance date).

19 Segment reporting

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The entity's primary segments are three businesses, being drilling operations, mineral exploration and resource development and gold operations.

Drilling operations consists of providing rigs, equipment, consumables and services for drilling holes for the purpose of extraction and presentation of rock and soil samples on a contract basis for mining and exploration companies in Brazil and Uruguay. This business depends upon the supply and utilisation of drilling rigs, the skills and training of the drilling services personnel and the ability to negotiate the contracts under which these services are provided to customers.

Mineral exploration and resource development involves the geological pursuit of identifying mineral resource systems for the purposes of extraction and or sale.

During the year ended 30 June 2019 the Group operated in the following Geographic Segments: Australia, Brazil, Uruguay, Canada and Madagascar (2018: Australia, Brazil, Uruguay, Canada and Madagascar).

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions

An internally determined transfer price is set for all inter-entity sales. This price is re-set quarterly and is based on what would be realised in the event the sale was made to an external party at arm's-length. All such transactions are eliminated on consolidation for the Groups financial statements.

Corporate charges are allocated to reporting segments based on the segments' overall proportion of revenue generation within the Group. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

19 Segment reporting (Continued)

Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

Segment assets
Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location. Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

Segment liabilities
Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

*Unallocated item*s
The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- impairment of assets and other non-recurring items of revenue or expense

The details of the financial information for each segment are as follows:

	Continuing Operations		**Discontinued Operations**		
	Australian Administration Exploration & Evaluation	**Canada Exploration & Evaluation**	**Brazil Drilling Operations**	**Uruguay Drilling Operations**	**Total Operations**
	$	**$**	**$**	**$**	**$**
30 June 2019					
Revenue					
Finance revenue	547	-	-	-	547
Profit on Sale of Assets	57,136	-	329,934	-	387,070
Other	299,598	-	-	-	299,598
Segment revenue	**357,281**	**-**	**329,934**	**-**	**687,215**
Segment loss before tax	**(1,713,603)**	**(19,100)**	**(93,419)**	**(257,037)**	**(2,083,159)**
Assets and liabilities					
Segment assets	196,249	492	1,381	-	218,121
Segment liabilities	(3,260,954)	(32,008)	(3,050,276)	(2,062,860)	8,426,097)
Segment net liabilities	**(3,064,705)**	**(31,516)**	**(3,048,895)**	**(2,062,860)**	**(8,207,976)**
Movements in assets					
Impairment	392,261	-	-	-	392,261

19 Segment reporting (Continued)

	Continuing Operations		Discontinued Operations		
	Australian Administration Exploration & Evaluation	Canada Exploration & Evaluation	Brazil Drilling Operations	Uruguay Drilling Operations	Total Operations
	$	$	$	$	$
30 June 2018					
Revenue					
Sales to external customers	-	-	157,156	-	157,156
Finance revenue	1,616	-	-	-	1,616
Foreign exchange gain	-	-	596,849	-	596,849
Other	-	-	128,145	-	128,145
Segment revenue	**1,616**	**-**	**882,150**	**-**	**883,766**
Segment loss before tax	**(2,391,776)**	**(79,639)**	**(736,353)**	**(218,277)**	**(3,426,045)**
Assets and liabilities					
Segment assets	336,108	14,258	(3,275)	-	347,091
Segment liabilities	(1,906,092)	(88,758)	(2,992,228)	(1,805,825)	(6,792,903)
Segment net liabilities	**(1,569,984)**	**(74,500)**	**(2,995,503)**	**(1,805,825)**	**(6,445,812)**
Movements in assets					
Addition of plant and equipment	2,123	-	-	-	2,123
Depreciation expense	2,195	-	2,600	-	4,795
Doubtful debts	-	-	122,414	-	122,414
Impairment	1,170,099	-	-	-	1,170,099

20 Events after balance sheet date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years except as stated below.

On 1 July 2019, the Company announced the expiry of 10,000,000 unlisted options exercisable at $0.017 on or before 30 June 2019.

On 25 July 2019, the Company received a conversion request from Lind to convert 55,555,555 shares in the Company. The Board elected not to convert the shares in order to reduce further dilution to shareholders while it seeks alternative funding options. Subsequently, the Company has been issued with a default notice from Lind to repay the outstanding debt ($810,000) plus interest within 60 business days. On 5 February 2020, ASOF issued a Creditors Statutory Demand for Payment in the amount of $886K. Subsequently, on 4 June 2020, ASOF applied to the Federal Court of Australia to have the Company wound up in liquidation. On 8 September 2020, ASOF withdrew their application to wind up the Company.

On 1 August 2019, Mr Scott Reid was appointed as non-executive director upon resignation of Mr Brian Thomas. On 10 December 2019, the Company announced that the arbitration award found that Cougar had in fact breached the Settlement Agreement by making disparaging remarks to a DNI shareholder regarding DNI's management, but the arbitrator found that DNI had not proven nor suffered any damages. DNI was ordered to pay Cougar CAD 4250 and the award also directed that the payment of CAD 250,000 from DNI to Cougar, due on July 2019 to default, was due and payable on December 7, 2019.

On 1 October 2019, the Company was delisted from the Australian Securities Exchange.

On 30 June 2020, the Board of Directors appointed Bryan Hughes and Daniel Bredenkamp of Pitcher Partners as Joint and Several Administrators of the Company pursuant to section 436A of the Corporations Act 2001.
On 10 July 2020, the first meeting of creditors of the Company was held pursuant to section 436E of the Corporations Act 2001. At the meeting, creditors ratified the appointment of the Administrator. Creditors also elected not to appoint a Committee of Inspection to the Company.

On 3 August 2020, the second meeting of creditors was held. At the meeting, creditors resolved that the Company execute a Holding Deed of Company Arrangement (Holding DOCA).

On 24 August 2020, the Company announced that following a resolution passed by creditors at the second meeting of creditors, the Company executed a Holding Deed of Company Arrangement (Holding DOCA) on 20 August 2020 and Bryan Hughes and Daniel Bredenkamp were appointed Joint and Several Deed Administrators of the Company on the same day.

Subsequent to 30 June 2020, the Company sold three drilling rigs receiving a total of $283,800.

In 2004, the Company entered into an option agreement with Greater Australia Gold Pty Ltd (now Pyke Hill Resources Pty Ltd) to acquire the nickel and cobalt rights of the Pyke Hill Project. At the time, Richfile Pty Ltd (In Liquidation) (Richfile) was entitled to a 50% equitable interest in the Pyke Hill Project (Option Agreement). The liquidator of Richfile was aware of, did not object to, and shared in the funds resulting from the option agreement. In 2004, when the Option Agreement was executed, Richfile was entitled to a 50% equitable interest in the Pyke Hill Project. The liquidator of Richfile was aware of, did not object to the option agreement. In September 2005, Richore purchased Richfile's 50% beneficial interest in the Pyke Hill Project from the liquidators of Richfile with knowledge of the option agreement. Richore's 50% interest in Pyke Hill was registered with the Department of Mines, Industry, Regulation and Safety (previously the Department of Mines and Petroleum) on 24 November 2008. Over the course of several years, Richore has claimed that the Company did not acquire any of Richfile's interest in the nickel and cobalt rights, however did not make any formal legal challenge until October 2018 when Richore brought a plaint before the Western Australian Mining Warden for the removal of the Company's caveat over Richore's interest in the property. A Warden's court hearing was held on 23 July 2019 where the validity of the Company's option was argued. The Warden handed down its decision on 30 April 2020 stating that he was "satisfied that Cougar has established there is a serious question to be tried in that there is a prima facie case with sufficient likelihood of success that it has an interest in the whole of M39/159". In addition, the warden stated that on balance there would be a lower risk of injustice by maintaining Cougar's caveat over the tenement.

Subsequent to year end, an amicable agreement was signed between the Company and Geomin regarding a drill contract which was previously breached. In September 2020, the Company received approximately $95,000.

21 Capital and leasing commitments

Finance and Operating lease commitments
The Group has no finance or operating lease commitments as at 30 June 2019 (2018: $nil).

Exploration expenditure obligations
The Group has minimum expenditure obligations relating to its tenements of $131,076 (2018: $100,800).

22 Financial instruments

Financial risk management objectives
The Group's accounting and finance function co-ordinates access to domestic and financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), foreign currency risk, credit risk, liquidity risk and cash flow interest rate risk. The Group seeks to minimise the effects of these risks, where deemed appropriate.

Capital risk management
The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 15, cash and cash equivalents and equity attributable to equity holders of the Parent, comprising issued capital, reserves, other equity and retained earnings (accumulated losses) as disclosed in Note 16.

Market risk
The Group's activities expose it primarily to the financial risks of changes in interest rates. The Group enters into funding agreements with a variety of financial institutions to manage its exposure to interest rate risk.

Foreign currency risk
As a result of the operating activities in Brazil and Canada and the ongoing funding of overseas operations from Australia, the Group's balance sheet can be affected by movements in the Brazilian Real (BRL), Canadian Dollar (CAD) and United States Dollar (USD) exchange rates. The Group seeks to mitigate the effect of its foreign currency exposure by timing its purchase and payment to coincide with highs in the BRL/AUD, CAD/AUD and USD/AUD exchange rate cycle.

100% of the Group's sales are denominated in currencies other than the functional currency of the operating entity making the sale, with the majority of costs also denominated in the unit's functional currency.

Presently, each operating entity' profits and surplus cash-flows are reinvested back into the operating entity to fund and facilitate ongoing growth, thus eliminating the need for measures to mitigate currency exposure

Interest rate risk management
The Group is not exposed to any significant interest rate risk as entities within the Group are not party to significant borrowing arrangements. The necessity to undertake hedging activities is evaluated regularly to align with interest rate views and defined risk appetite; currently the Management of the Company takes the view that hedging activity is unnecessary. The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk.

22 Financial instruments (Continued)

Liquidity risk management
Ultimate responsibility for liquidity risk management rests with the Accounting Department and Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables
The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been presented based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group may be required to pay. The table includes both interest and principal cash flows.

Interest rate risk
The following table sets out the carrying amount, by maturity, of the financial instruments that are exposed to interest rate risk.

Consolidated	Weighted average effective interest rate	Floating interest rate	Fixed interest rate maturing < 1 year	1 – 5 years	> 5 years	Non-interest bearing	Total
2019	**%**	**$**	**$**	**$**	**$**	**$**	**$**
Financial assets							
Cash and cash equivalents	0.18%	186,260	-	-	-	-	**186,260**
Trade and other receivables	-	-	-	-	-	10,481	**10,481**
Total financial assets		**186,260**	**-**	**-**	**-**	**10,481**	**196,741**
Financial liabilities							
Loan – related entity	-	-	-	-	-	456,602	**456,602**
Convertible note	-	-	-	-	-	664,881	**664,881**
Trade and other payables	-	-	-	-	-	2,171,478	**2,171,478**
Total financial liabilities		**-**	**-**	**-**	**-**	**3,292,961**	**3,292,961**
2018							
Financial assets							
Cash and cash equivalents	1.00%	7,818	20,000	-	-	-	**27,818**
Trade and other receivables	-	-	-	-	-	13,860	**13,860**
Total financial assets		7,818	20,000	-	-	13,860	**41,678**

22 Financial instruments (Continued)

Consolidated	Weighted average effective interest rate	Floating interest rate	Fixed interest rate maturing < 1 year	1 – 5 years	> 5 years	Non-interest bearing	Total
2018	**%**	**$**	**$**	**$**	**$**	**$**	**$**
Financial liabilities							
Hire Purchase liability	-	-	-	-	-	293,000	**293,000**
Loan – related entity	-	-	-	-	-	81,792	**81,792**
Trade and other payables	-	-	-	-	-	1,627,961	**1,627,961**
Total financial liabilities		-	-	-	-	2,002,753	**2,002,753**

Sensitivity analysis

The sensitivity table below show the effect on profit and equity after tax if interest rates at the balance date had increased or decreased by 1% (100 basis points) with all other variables held constant, taking into account all underlying exposures. The 100 basis point deviation has been selected as this is considered reasonable given the current level of both short and long term Australian interest rates. A 100 basis point sensitivity would move interest rates payable from 0.18% to 1.18% in an interest rate appreciation environment.

The Group's exposure to market risk for change in interest rates relates primarily to their interest bearing assets. The following sensitivity analysis is based on the interest rate exposures in existence at the balance sheet date. At 30 June 2019, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax profit and equity would have been affected as follows:

Judgements of reasonably possible movements	Post tax profit higher / (lower) 2019 $	2018 $	Other Equity higher / (lower) 2019 $	2018 $
+ 1% (100 basis points)	1,863	278	1,863	818
- 1% (100 basis points)	(1,863)	(278)	(1,863)	(818)

The movements in profit are due to higher/lower interest costs from variable rate debt and cash balances for the year.

Fair value of financial instruments

Directors consider that carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values. There are no financial assets or liabilities which are required to be revalued on a recurring basis.

23 Parent entity disclosures

(a) Financial position

	Parent Entity 2019 $	Parent Entity 2018 $
ASSETS		
Current Assets		
Cash and cash equivalents	185,877	27,521
Trade and other receivables	4,243	-
Other assets	6,131	76,907
Total Current Assets	196,251	104,428
Non-Current Assets		
Plant and equipment	-	-
Exploration and evaluation expenditure	-	231,678
Total Non-Current Assets	-	231,678
Total Assets	196,251	336,106
LIABILITIES		
Current Liabilities		
Trade and other payables	2,139,470	1,539,206
Loans and borrowings	1,121,483	374,792
Total Current Liabilities	3,260,953	1,913,998
Total Liabilities	3,260,953	1,913,998
Net Liabilities	**(3,064,702)**	**(1,577,892)**
EQUITY		
Issued capital	28,912,223	28,580,190
Reserves	188,412	331,520
Accumulated losses	(32,165,335)	(30,489,602)
Total Equity	**(3,064,702)**	**(1,577,892)**

(b) Financial performance

	Parent Entity 2019 $	Parent Entity 2018 $
Net loss for the year	(1,713,603)	(2,484,221)
Other comprehensive income for the year:		
Exchange differences arising on translation of foreign operations	-	-
Total comprehensive result for the year	(1,713,603)	(2,484,221)

There are no guarantees entered into by Cougar Metals NL for the debts of its subsidiaries as at 30 June 2019 (2018: none).

The amounts applicable for Cougar Metals NL (the parent) and the Consolidated Group in relation to contingent assets and liabilities can be found in Note 18.

The amounts applicable for Cougar Metals NL (the parent) and the Consolidated Group in relation to commitments can be found in Note 21.

The Directors declare that:

a) as disclosed in note 1(c), the financial statements have been prepared on a non-going concern basis;

b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Company and the Group;

c) in the Directors' opinion, the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board as disclosed in Note 1(a); and

d) the Directors have been given the declarations required by s295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to s295(5) of the Corporations Act 2001.

Randal Swick

Randal Swick
Executive Chairman

Dated this 30th day of October 2020

Independent Auditor's Report

To the Members of Cougar Metals NL

Bentleys Audit & Corporate (WA) Pty Ltd
London House
Level 3,
216 St Georges Terrace
Perth WA 6000

PO Box 7775
Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500
F +61 8 9226 4300

bentleys.com.au

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cougar Metals NL ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2019, 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 report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(b).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. 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 Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter on Going Concern

Without qualifying our opinion, we draw attention to Note 1(c) in the financial report, which indicates that the financial statements have been prepared on a non-going concern basis, as a result of the Board's decision to cease all operations and appoint Joint and Several Administrators to the Company. 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 period. 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.

Key audit matter	How our audit addressed the key audit matter
Convertible Notes As disclosed in Note 15 to the financial report, the Consolidated Entity issued a convertible note during the year with a face value of $960,000. As at 30 June 2019 the balance of the Convertible Notes liability was $664,881 which reflects the tranches received to date less relevant transaction costs which are required to be amortised over the term of the convertible notes and the conversion of $100,000 into shares in the Company. Convertible Notes are considered to be a key audit matter due to: › the value of the balance; and › the complexities involved in the recognition and measurement of convertible financial instruments and associated transaction costs.	Our procedures amongst others included: › analysing the agreement to identify the key terms and conditions for each convertible note; › verification of the funds received from the issue of convertible notes during the year; › assessing the accounting treatment of the financial instruments in accordance with the recognition and measurement as well as the disclosure requirements of the relevant Australian Accounting Standards; › evaluating management's option valuations and assessing the assumptions and inputs used; › assessing the calculation including relevant amortisation of finance costs for the year; and › assessing the adequacy of the disclosures in Note 15 to the financial report.
Impairment of Exploration Expenditure As disclosed in Note 13 to the financial report, the Consolidated Entity has impaired a total exploration expenditure of $392,261 as at 30 June 2019. Deferred exploration expenditure is a key audit matter due to: › the significance of the balance to the Consolidated Entity's financial position; › the level of judgement required in evaluating	Our procedures included, amongst others: › assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the consolidated entity holds an interest and the exploration programmes planned for those tenements; › for each area of interest, assessing the Consolidated Entity's rights to tenure by corroborating to the legally binding Letters of

management's application of the requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources ("AASB 6")*. AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset; and
- the assessment of impairment.
	Intent that the Consolidated Entity has in place with the title holders;
	- testing the additions to deferred exploration expenditure for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Consolidated Entity's accounting policy and the requirements of AASB 6;
	- considering the activities in each area of interest to date and assessing the planned future activities for each area of interest by evaluating budgets for each area of interest;
	- assessing each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure:
	  - the licenses for the right to explore expiring in the near future or are not expected to be renewed;
	  - substantive expenditure for further exploration in the specific area is neither budgeted or planned;
	  - decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and
	  - data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale.
	- assessing the appropriateness of the related disclosures in Note 13 to the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2019, 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.

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 Note 1(b), the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

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

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.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2019. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

Auditor's Opinion

In our opinion, the Remuneration Report of the Company, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Bentleys

BENTLEYS
Chartered Accountants
Dated at Perth this 30th day October 2020

Mark Delaurentis

MARK DELAURENTIS CA
Partner

The board of directors is responsible for the corporate governance of the Company and has adopted a range of corporate governance policies consistent with the third edition of the "Principles of Good Corporate Governance and Recommendations" released by the ASX Corporate Governance Council, to the extent that such recommendations are appropriate to the structure and operations of the Company.

The Company is aware of the 4th edition of the ASX principle and recommendations being released and has decided to adopt those recommendations in the coming year.

A summary of the major policies is set out below.

Functions and Responsibilities of Board and Management

The role of the board is to develop strategies for the growth of the Company and its assets and monitor and evaluate the implementation of those strategies against set performance objectives. The board is responsible for the corporate governance of the Company and considers a wide range of corporate governance issues on a regular basis, including accountability and control, risk management, ethical conduct, financial stability, performance appraisal and human resource management. Each director has the ability, as agreed to by the board, to seek independent professional advice at the Company's expense on a Company related matter on an as required basis.

The board of directors is structured with the required mix of skills and experience to ensure that the Company's growth strategies can be effectively implemented. The composition of the board is continually monitored to ensure that it has the appropriate mix of skills and experience. The responsibility for the day-to-day operation and administration of the Company is delegated by the board of directors to the Managing Director.

The Company's Management is responsible for implementing the Company's strategy and managing the affairs of the Company on a day-to-day basis. The performance of the Managing Director and Management is measured against objectives and outcomes determined at the commencement of each financial year and against the requirements set out in the job descriptions for the members of Management.

Board Structure

Given the current size and nature of the Company's operations, the board of directors has assumed the responsibilities that would ordinarily be assigned to a nomination committee with respect to the nomination, appointment, retention and removal of directors. When a vacancy or perceived deficiency in skill or experience exists at board level, the directors are responsible for the recruitment and appointment of the most suitable candidate, who shall hold office until the next annual general meeting, where the appointee is required to stand for re-election.

No director shall hold office for a period of more than three years without having to stand for re-election (excluding the Managing Director). All board appointments will be made and maintained subject to the rules of the Company's constitution.

Details of qualifications, experience, responsibilities and tenure of current directors are set out in the directors' report. The board is currently comprised of three directors: one executive, being Mr Randal Swick (Executive Chairman), Mr Scott Reid (Non-Executive Director) and Mr David Symons (Non-Executive Director).

The Board is required to assess the independence of its Non-Executive Directors at least annually. In assessing independence, the Board considers all circumstances relevant to determining whether the Non-Executive Director is free from any interest and any business or other relationship, which could, or reasonably be perceived to, materially interfere with that Director's ability to exercise unfettered and independent judgement on Company issues. The board has assessed that David Symons and Brian Thomas are considered to be independent as they do not have any contractual relationships with the Company, or through a business affiliate which results in greater than 10% revenue of gross assets for either party.

Ethical Decision Making
All directors, executives, management and employees are expected to act with the upmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company. The board of directors is committed to the establishment of appropriate ethical standards for the Company.

All directors, executives, management and employees must comply with all relevant laws and regulations. The board is required to be notified as soon as a conflict of interest arises so that an appropriate resolution can be determined.

As a measure to ensure that insider trading does not occur, all directors, executives, management and designated employees must notify the Managing Director in writing prior to being permitted to undertake any transaction that results in a change in their relevant interest in the securities of the Company. The Managing Director will assess the information available to the person wishing to trade in the securities of the Company and the information available to the market and will then advise of the appropriateness of such a trade.

The Managing Director must advise the board in writing prior to trading in the securities of the Company. The Board will assess the information available to the Managing Director and the information available to the market and will then advise on the appropriateness of such a trade.

Financial Reporting
Given the current size and nature of the Company's operations, the board of directors in not in a position to justify the establishment of an audit committee. The board has assumed the responsibilities that would ordinarily be assigned to an audit committee. Such matters include reviewing the consolidated annual report and other information to be externally distributed, reviewing external audit reports and the performance of external auditors, monitoring the internal control framework, evaluating Company performance, monitoring legal compliance and maintaining budgeting control and responsible accounting procedure. The external auditor will be requested to attend the annual general meeting of the Company, where shareholders will be able to discuss with the external auditor the conduct of the external audit and the preparation and content of the audit report.

Prior to the consideration of the consolidated annual report by the board of directors, the Managing Director is required to represent in writing to the board that the Company's consolidated annual report:

- Presents a true and fair view, in all material respects, of the Company's financial condition and operational results; and
- Has been prepared in accordance with relevant accounting standards.

The Managing Director is also required to represent in writing to the board that:

- the above statement made by the Managing Director pertaining to the Company's consolidated annual report is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board; and
- the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material aspects.

Such representations do not diminish the ultimate responsibility of the board to ensure the integrity of the Company's financial reporting.

Continuous Disclosure
The Company will adhere to the disclosure requirements of the Corporations Act 2001 and ASX Listing Rules. The board will aim to identify all price sensitive information and ensure that it is disclosed to ASX in a timely and efficient manner. All ASX releases shall be reviewed for accuracy and completeness by a director prior to release to the market.

Shareholder Communications
The Company's website will be updated for all ASX releases, shareholder notifications, media and analyst briefings and other general information useful to investors. The Company has established an email subscription service for distribution of ASX releases to interested stakeholders. Shareholders will be encouraged and given the opportunity to ask questions at general meetings, as well as directly to the Company at any other time during the year.

The Company keeps shareholders and the market regularly informed through annual, half-year and quarterly reports and other required statutory information. The Company discloses material information to the ASX and media as required and regularly provide updates to the ASX on operational matters.

Risk Assessment and Management
The board of directors is responsible for putting in place practices and monitoring procedures designed to identify significant areas of business risk, both internal and external. The effectiveness of these practices and procedures in identifying risk will be reviewed at least annually. All risks identified pertaining to the Company will be incorporated into a risk profile that will be regularly reviewed and updated by the board.

The board is responsible for the effective management of any risks identified. Where considered appropriate, the board will draw upon the expertise of appropriately qualified external consultants to assist in identifying, dealing with or mitigating risk.

Remuneration
The board of directors has established a Remuneration Committee for the purposes of reviewing and making recommendations with respect to remuneration practices of the Company. The board of directors prepared and approved a Remuneration Committee Charter as the basis on which the committee was constituted and is operated. The role of the Remuneration Committee is to provide an independent mechanism for the determination and assessment of the remuneration practices of the Company, including remuneration packages and incentive schemes for executive directors and senior management, and fees payable to Non-Executive directors. The aim of the committee is to ensure that the remuneration practices of the Company are commensurate with industry standards and companies of similar operational and financial position.

The Remuneration Committee has the ability, as agreed to by the board, to seek independent professional advice at the Company's expense on any matter on an as required basis, such as acquiring available information which measures the remuneration levels in the various labour markets in which the Company competes.

The Remuneration Committee should ensure that the board of directors is provided with sufficient information to ensure informed decision making. Formal recommendations of the committee are not binding on the board, however the board is encouraged to comply with such recommendations to ensure that the integrity of the Company's corporate governance procedures and Remuneration Committee is maintained.

No formal Remuneration Committee meetings were held during the year, with additional informal discussions between members being held.

See *Directors' Report* for details and discussion of the remuneration of directors and executives.

Principles of Good Corporate Governance and Recommendations not adopted by the Company

Due to the small scale of the Company's operations and the limited number of employees, the Company has not yet elected to establish policies with respect to the **Establishment of an Audit Committee** or **Diversity Policy.**

As the Company develops the Board will consider establishing an Audit Committee and adopting a Diversity Policy.

Share Holdings as at 24 September 2019

No. Securities Held	Fully Paid Shares No. Holders	No. Shares
1 – 1,000	85	10,779
1,001 – 5,000	10	23,715
5,001 – 10,000	15	134,312
10,001 – 100,000	311	18,716,583
> 100,001	530	1,157,697,895
Total no. holders	**951**	**1,176,583,284**
No. holders of less than a marketable parcel	684	81,191,662
Total shares on issue		1,176,583,284

Substantial Shareholders as at 24 September 2019	**No. Shares**	**%**
SAVVY CAPITAL MANAGEMENT PTY LTD*	175,466,224	14.91%
SWICK, MARCIA*	275,250,000	23.39%

* partially represents related parties of Mr Randal Swick that holds a total of 451,466,224 shares

20 Largest Holders of Securities at 24 September 2019

Fully paid ordinary shares	**No. Shares**	**%**
Ms Marcia Swick <Marcia Swick A/C>	195,000,000	16.57%
Savvy Capital Management Pty Ltd <Savvy Family A/C>	175,466,224	14.91%
Marcia Swick	47,239,940	4.02%
Ms Marcia Swick	32,410,060	2.75%
Mr Craig Ruehland & Miss Ying Sun <Craig Ruehland S/F A/C>	30,900,467	2.63%
Mr Richard Elkington & Mrs Christine Elkington <E S/F A/C>	29,533,746	2.51%
Mr Jack Lewis Woolley	23,000,000	1.95%
Mr Anestis Caraoutzadis	22,288,500	1.89%
Zn & C Lazogas Pty Ltd <K & M Lazagos Super Fund A/C>	21,670,000	1.84%
Mr Mark Ellidge & Mrs Jennifer Ellidge	15,000,000	1.27%
Mrs Ann Mary Fry <M&A Fry Family A/C>	14,376,623	1.22%
Super Msj Pty Ltd <Msj Super Fund A/C>	13,796,772	1.17%
Mr Robert William Hanna	11,989,338	1.02%
Mr Vasilis Caraoutzadis	11,808,178	1.00%
Chemco Superannuation Fund Pty Ltd <Chemco Super Fund No 2 A/C>	11,250,000	0.96%
Acvs Capital Investments Pty Ltd <Acvs Capital Invest S/F A/C>	11,060,826	0.94%
Mr Daniel Ellidge	10,000,000	0.85%
Mr Mark Andrew Tkocz	10,000,000	0.85%
Mr Vincenzo Brizzi & Mrs Rita Lucia Brizzi <Brizzi Family S/F A/C>	9,500,000	0.81%
Mr Charles Crumlish	9,000,000	0.76%
Mr Steven Garry O'reilly	7,840,000	0.67%
Total	**713,130,674**	**60.61%**

20 Largest Holders of Securities at 24 September 2019

Contributing Shares (Issue price $0.125, $0.001 paid) 3,425,725 contributing shares on issue at 24 September 2019	**%**	**No. Contributing Shares**
Rosmar Holdings Pty Ltd	40.87	1,400,000
Rowntree Pty Ltd	23.37	800,625
Mr Andrew William Gardner	11.67	400,000
Mr Kent Swick	11.67	400,000
Mrs Joan Bushby	4.38	150,000
Mr Jason Giltay	2.34	80,000
Ms Marianne King	1.31	45,000
Mapd Nominees Pty Ltd	0.95	32,500
Aam Adelaide Pty Ltd	0.73	25,000
Mr Paul Andrew Hardie	0.73	25,000
Gregorach Pty Ltd	0.58	20,000
Cambra Nominee Pty Ltd	0.47	16,000
Kirch Investments Pty Ltd	0.44	15,000
Mr William James Edwards	0.15	5,000
Mr Danny Hanlan	0.15	5,000
Mr Carl Dickson	0.12	4,000
Mr Travis Clark	0.07	2,600
Total	**100.00**	**3,425,725**

Voting Rights
One vote for each ordinary share held in accordance with the Company's Constitution.

<u>Option Holdings as at 24 September 2019</u>	**Unlisted Options**	
No. Securities Held	**No. of Holders**	**No. of Options**
1 – 1,000	7	3,162
1,001 – 5,000	3	7,841
5,001 – 10,000	1	10,000
10,001 – 100,000	25	965,105
> 100,001	27	82,848,644
Total no. holders	**63**	**83,834,752**

43,834,752 Unlisted Options – exercisable at $0.01 expiring 31 March 2022

Holders of more than 20% of this class	**%**	**No. Options**
Savvy Capital Management Pty Ltd <Savvy Family A/C>	42.32	18,550,000

40,000,000 Unlisted Options – exercisable at $0.01 expiring 7 July 2021

Holders of more than 20% of this class	**%**	**No. Options**
The Australian Special Opportunities Fund LP	100	40,000,000

Mining Tenements

Project (Australia)	Tenement Reference	Interest held by Cougar at 21 September 2019
Pyke Hill Nickel (Australia)*	M39/159	Ni/Co rights - 100%
Shoal Lake Gold (Canada)	MH9	100%
Shoal Lake Gold (Canada)	MH10	100%
Shoal Lake Gold (Canada)	MH40	100%
Shoal Lake Gold (Canada)	D259	100%

* Cougar holds 100% of the Nickel and Cobalt Laterite rights in relation to the tenement, with tenement ownership to be transferred to Cougar upon the commencement of mining activities.

Project (International)	Tenement Reference	Interest held by Cougar at 21 September 2019
Ceara Lithium Project	9666/2018	Earning to 85%
Ceara Lithium Project	9667/2018	Earning to 85%
Ceara Lithium Project	9668/2018	Earning to 85%
Ceara Lithium Project	9669/2018	Earning to 85%
Ceara Lithium Project	9670/2018	Earning to 85%
Ceara Lithium Project	9671/2018	Earning to 85%
Ceara Lithium Project	9672/2018	Earning to 85%
Ceara Lithium Project	9673/2018	Earning to 85%
Ceara Lithium Project	9674/2018	Earning to 85%
Ceara Lithium Project	9675/2018	Earning to 85%
Ceara Lithium Project	9676/2018	Earning to 85%
Ceara Lithium Project	9677/2018	Earning to 85%
Ceara Lithium Project	9678/2018	Earning to 85%
Ceara Lithium Project	9679/2018	Earning to 85%
Ceara Lithium Project	9680/2018	Earning to 85%
Ceara Lithium Project	9615/2018	Earning to 85%
Ceara Lithium Project	9681/2018	Earning to 85%
Ceara Lithium Project	9682/2018	Earning to 85%
Ceara Lithium Project	9616/2018	Earning to 85%
Ceara Lithium Project	9617/2018	Earning to 85%
Ceara Lithium Project	9618/2018	Earning to 85%
Ceara Lithium Project	9683/2018	Earning to 85%
Ceara Lithium Project	9684/2018	Earning to 85%
Ceara Lithium Project	9685/2018	Earning to 85%
Ceara Lithium Project	9686/2018	Earning to 85%
Ceara Lithium Project	9687/2018	Earning to 85%
Ceara Lithium Project	9619/2018	Earning to 85%
Ceara Lithium Project	9620/2018	Earning to 85%
Ceara Lithium Project	9621/2018	Earning to 85%
Ceara Lithium Project	9622/2018	Earning to 85%
Ceara Lithium Project	1521/2019	Earning to 85%